Datasquirt extends ASX offering

Issues supplementary prospectus

Despite market volatility, New Zealand contact centre software company, Datasquirt, is going ahead with its public offering on the ASX, but has reduced the minimum subscription from A$10 million to A$7 million. The maximum subscription remains the same at A$12 million.

A supplementary prospectus, closing on Friday 14 September, has been issued. The initial offer closed last Thursday 16 August.

Datasquirt's chairman, Dr Jens Neiser, said the offer had received strong support from Australian institutional investors and from individual investors on both sides of the Tasman.

"We have had discussions with our broker, Bell Potter Securities, and also with the larger investment funds supporting the offer," Dr Neiser said. "The support - particularly from our large investors is such that we have decided to go ahead, but have reduced the minimum subscription amount from A$10 to the A$7 million currently agreed to by existing subscribers which we view as prudent and sufficient to fund Datasquirt's international growth plans."

One large investor is Macquarie Bank's Australian Small Companies Fund. Portfolio Manager Neil Carter, says Macquarie believes the IT sector on the Australian stock market will experience very strong growth over the next three years.

"We think IT stocks are good value," said Mr Carter. "Many of these companies are in a strong growth position with better top and bottom line growth than industrial companies. IT is a sector in which we at the Macquarie Small Companies Fund are very happy to be 'overweight'."

Datasquirt has currently reached the ASX requirement of 400 individual subscribers with around half of those coming from New Zealand. Bell Potter is not underwriting the revised offer but is the Sponsoring Broker.

"Our message to investors is that while markets may rise and fall the potential for Datasquirt to grow strongly in a rapidly expanding market for Call Centre software has not changed. We are confident the float will go ahead and that we will exceed the minimum subscription amount," Dr Neiser said.

The revised prospectus is now available on www.datasquirt.com and www.bellpotter.com.au. The minimum application size remains at 2,250 shares at A$0.90 cents per share with additional shares applied for in multiples of 500 shares.

On completion of the offer the minimum underwritten market capitalisation will be A$25 million. All shares being offered are new shares with the existing shareholders retaining or increasing their respective holdings.

Datasquirt's managing director and co-founder Aaron Ridgway says the funds raised will be adequate for product development and international sales and marketing of Datasquirts CONTACT software, as well as satisfying working capital requirements.

CONTACT is designed to enable call centres to integrate text, fax and email messages into existing processes when handling both inbound and outbound communications. Datasquirt's major customers include Fonterra, Yellow Pages, Auckland Regional Council, The Ministry of Justice, Cerebos Greggs, Coca Cola Amatil NZ, The Election Enrolment Centre, Amway Australia New Zealand and the Auckland City Council. CONTACT won a TUANZ Innovation Award in 2005.

The latest projects in Australia during 2007 include a pilot implementation for account receivable management at Dun & Bradstreet; and in the United Kingdom at Silverjet, a fully automated SMS and email self-service handling flight bookings, travel confirmation, seat selection and flight cancellations and delays.

Full details of the company's product and market strategy, balance sheet and other operational and market information are disclosed in the Australian and New Zealand offer documents on the company's website www.datasquirt.com.

This offering is made pursuant to the Supplementary Prospectus issued 20 August 2007 and Replacement Prospectus issued 9 July 2007. Anyone wishing to apply under this offer will need to complete the application form included in the Supplementary Prospectus.

About Datasquirt

Datasquirt was founded in 2001 by current shareholders and directors Aaron Ridgway and Mark Loveys. Mark Loveys was the developer of the market leading Exonet business software package, now owned by listed Australian company MYOB. Aaron Ridgway, Datasquirts managing director, CEO and major shareholder, has extensive experience in the mobile phone market, owning several First Mobile Vodafone franchises in New Zealand.