



LIMITED

ACN 091 320 464

**NOTICE OF
EXTRAORDINARY GENERAL MEETING**

to be held

at 11:00am (Sydney time)

on Friday, 19 February 2010

at

Level 8, 1 Alfred Street, Sydney

AND EXPLANATORY MEMORANDUM

This is an important document that needs your immediate attention.

Please read the following Notice of Meeting and Explanatory Memorandum and accompanying information carefully.

It is important that you either attend the meeting personally or complete and lodge the Proxy Form attached to the Notice of Meeting.

ETT Limited

Level 1, 59 Parraween Street, Cremorne, NSW 2090

Ph: 1300 859 642

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www.etlimited.com.au

For personal use only

13 January 2010



Dear Shareholder,

On behalf of the Board of Directors, I am pleased to invite you to an Extraordinary General Meeting of ETT Limited (**Company** or **ETT**) to be held at 11:00am (Sydney time) on Friday, 19 February 2010 at Level 8, 1 Alfred Street, Sydney, New South Wales.

A number of important decisions regarding the future direction and growth of the Company will be covered at the meeting and put before ETT shareholders (**Shareholders**) for your consideration and approval.

Proposed acquisition of FarmWorks

The proposed acquisition by the Company of FarmWorks Merchandise Services Pty Ltd (**FarmWorks**) (**Proposed Acquisition**) is the culmination of an extensive search for an investment which has the capacity to substantially grow shareholder value. FarmWorks is based in Western Australia and provides services Australia wide. Established in 2001, FarmWorks has experienced strong growth since inception with revenues of \$92 million generated in the 2009 financial year. FarmWorks' long term strategy is to achieve a nationwide footprint covering the majority of broad acre farming areas. The Proposed Acquisition will provide FarmWorks with the resources and access to capital to successfully roll out its business in the eastern States of Australia, which represents substantial opportunity for growth of shareholder wealth. Further details about FarmWorks are set out in the Explanatory Memorandum accompanying this Notice of Meeting.

The Directors engaged HLB Mann Judd to act as an independent expert (**Independent Expert**) and review the Proposed Acquisition. The Independent Expert concluded that the Proposed Acquisition is fair and reasonable. A copy of the Independent Expert's Report is attached as Annexure A to the Notice of Meeting.

Change of activities

The Proposed Acquisition will result in a significant change in the nature and scale of the Company's activities from a company in the technology sector to a company which provides goods and services to the agricultural sector. Accordingly, the Company requires shareholder approval under ASX Listing Rule 11.1.2 and must re-comply with Chapters 1 and 2 of the ASX Listing Rules. Further details are set out in the attached Notice of Meeting and Explanatory Memorandum.

I welcome your attendance at the Extraordinary General Meeting. If you are unable to attend the meeting please complete the attached proxy form and return it in accordance with the instructions provided.

On behalf of your Directors, I seek your support for this important transaction.

Yours faithfully

Glenn Tetley
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

ETT Limited

ACN 091 320 464

Notice is given that an Extraordinary General Meeting of the shareholders of ETT Limited (**Company**) will be held at 11:00am on Friday, 19 February 2010 at Level 8, 1 Alfred Street, Sydney, New South Wales.

AGENDA

SPECIAL BUSINESS

1. Sale of PATLOC business

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 11.2 and for all other purposes, the Company dispose of the PATLOC Business on the terms set out in the business sale agreement dated 14 December 2009, and as described the Explanatory Memorandum accompanying this Notice of Meeting.'

2. Ratification of previous issue of shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 7.4 and for all other purposes, the previous issue of 197,256,811 (pre-consolidation) ordinary fully paid shares in the Company at \$0.006 per share to sophisticated investors and institutions on 23 December 2009 be ratified.'

3. Approval of new issue of Options

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of 197,256,811 (pre-consolidation) Options to acquire fully paid ordinary shares in the Company be approved.'

4. Change in Company's activities

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, subject to passing resolutions 5 to 7 (inclusive) in this Notice of Meeting and for the purposes of Listing Rule 11.1 and all other purposes, the Company's activities be changed to include the provision of goods and services to the Australian agricultural sector having regard to the activities of the FarmWorks Business and to the Company's Proposed Acquisition of FarmWorks as described in the Explanatory Memorandum accompanying this Notice of Meeting.'

5. Consolidation of shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, subject to passing resolutions 4, 6 and 7 (inclusive) in this Notice of Meeting and in accordance with section 254H of the Corporations Act 2001, all Shares in the Company be consolidated at a ratio which ensures that the value of each Share on issue in the Company is at least 20 cents following the consolidation, such ratio to be based on the Share price at the close of trading on the Trading Day prior to the Extraordinary General Meeting, and as described in the Explanatory Memorandum accompanying this Notice of Meeting.'

6. Issue of shares and Options in the Company to the vendors of FarmWorks

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, subject to passing resolutions 4, 5 and 7 (inclusive) in this Notice of Meeting and for the purposes of Listing Rule 7.1 and for all other purposes, the Company issue a number of Shares equal to 25% of the fully paid ordinary shares already on issue and a number of Options to acquire Shares equal to 25% of the Options to acquire Shares already on issue to the current shareholders of FarmWorks Merchandise Services Pty Ltd ACN 098 350 308 (FarmWorks) in consideration for the acquisition by the Company of 100% of the issued shares in FarmWorks on the terms set out in the share purchase agreement dated 22 October 2009, and as described in the Explanatory Memorandum accompanying this Notice of Meeting.'

7. Change to company name

To consider and, if thought fit, pass the following resolution as a special resolution:

'That, subject to passing resolutions 4 to 6 (inclusive) in this Notice, and subject to the approval of the Australian Securities and Investment Commission, the name of the Company be changed from 'ETT Limited' to 'FarmWorks Australia Limited' pursuant to section 157(1) of the Corporations Act.'

8. Approval of increase to maximum aggregate annual fees payable to non-executive directors

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 10.17 and Article 13.3 of the Company's constitution the maximum aggregate annual fees payable to non-executive directors of the Company for their services as directors, including their service on a committee of directors be increased from \$150,000 to \$440,000 per annum, to be apportioned at the directors' discretion.'

DATED: 13 January 2010

By Order of the Board

Aliceson Rourke
Company Secretary

NOTES

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) If you have any queries on how to cast your votes, please call the Company Secretary on telephone 1300 859 642.

VOTING RESTRICTIONS

In relation to resolutions 1 and 4 and in accordance with Listing Rule 14.11.1, the Company will disregard any votes cast by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any associates of those persons.

In relation to resolutions 2 and in accordance with Listing Rule 14.11.1, the Company will disregard any votes cast by a person who participated in the issue or any associate of any person who participated in the issue.

In relation to resolutions 3 and 6 and in accordance with Listing Rule 14.11.1, the Company will disregard any votes cast by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any associates of those persons.

In relation to resolution 8 and in accordance with Listing Rule 14.11.1, the Company will disregard any votes cast by a director of the Company or any associate of those persons.

However, the Company need not disregard any such votes if:

- (a) it is cast by any person referred to above as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The manner in which the Chairman intends to cast any undirected proxies given to him (ie proxies that do not specify the manner in which way the proxy is to be cast), is set out on the Proxy Form.

Conditionality of resolutions

Resolutions 4 to 7 (inclusive) in the Notice are conditional upon each other. Accordingly, resolutions 4 to 7 (inclusive) all need to be passed by Shareholders for any of those resolutions to be effective.

EXPLANATORY MEMORANDUM

ETT Limited
ACN 091 320 464

Introduction

This is an important document that needs your immediate attention.

Please read the following Explanatory Memorandum and accompanying information carefully.

It is important that you either attend the meeting personally or complete and lodge the Proxy Form attached to the Notice of Meeting.

If you do not understand this Explanatory Memorandum or are in any doubt about the action to be taken, you should consult your solicitor, accountant, investment advisor or other professional advisor immediately.

This Explanatory Memorandum should be read with, and form part of, the Notice of Meeting of Shareholders which it accompanies.

The Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at Level 8, 1 Alfred Street, Sydney, NSW, 2000 at 11:00am (Sydney time) on 19 February 2010.

This Explanatory Memorandum is required pursuant to various regulatory and ASX requirements. The resolutions before Shareholders contemplate that to be effective, resolutions 4 to 7 (inclusive) all need to be passed by Shareholders for any of those resolutions to be effective.

Important Dates

Event	Date
Lodge prospectus with ASIC & ASX	13 January 2010
Last date for receipt of Proxy Forms	17 February 2010
Date for establishing voting entitlements	17 February 2010
Meeting of Shareholders	19 February 2010
Trading halt, suspension of trading if resolutions 4 to 7 are approved	19 February 2010
Re-quotations of Shares on ASX	26 February 2010

Apart from the date of the EGM, the above dates are indicative only and may need to vary by changed circumstances not foreseen at this time. The Board reserves the right to vary the dates either by shortening or extending the dates, subject to the Corporations Act and the Listing Rules.

1. RESOLUTION 1 – SALE OF PATLOC BUSINESS

- 1.1 The PATLOC Business (which is owned by the Company's subsidiary Ultimate Transaction Pty Ltd) is the only remaining business of the Company and the profitability of this business has been declining. Given the Company's current intentions regarding the Proposed Acquisition, it is no longer in line with the Company's future goals and strategy to continue to operate the PATLOC Business.
- 1.2 ASX has advised the Company that the sale of the PATLOC Business constitutes the disposal of the Company's main undertaking. Listing Rule 11.2 provides that a company must obtain the approval of its shareholders when it disposes of its main undertaking.
- 1.3 The Company engaged in discussions with a potential purchaser of the PATLOC Business, and has entered into a business sale agreement (on standard terms for a transaction of this nature) for the PATLOC Business, conditional upon the approval of Shareholders. The sale price is \$200,000.
- 1.4 The buyer has been appointed as a service provider to operate the PATLOC Business in return for a fee until the approval of Shareholders is obtained, so that the Company can focus on the proposed FarmWorks acquisition. If Shareholder approval is not obtained, or if the business sale agreement is terminated or does not complete for any reason, the Company will resume operation of the business.
- 1.5 If Shareholders approve the sale of the PATLOC Business, but do not approve the change in activities of the Company and the other resolutions in respect of the Proposed Acquisition of FarmWorks (Resolutions 4 to 7 inclusive), this will mean that the Company will not have a main undertaking immediately following the disposal of the PATLOC Business. ASX have advised that if this does occur, and if the Company does not find and purchase another main undertaking within 6 months of the date of Shareholder approval for the disposal of the PATLOC Business then the Company's securities must be voluntarily suspended from quotation on ASX until another main undertaking is purchased. The securities would only then be reinstated to official quotation after the Company has complied with Chapters 1 and 2 of the Listing Rules.
- 1.6 The Company is seeking the approval of Shareholders to sell the PATLOC Business.

Voting exclusion

- 1.7 The Company will disregard any votes cast on a resolution by:
- (a) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
 - (b) an associate of those persons.
- 1.8 However, the Company need not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

- 1.9 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

2. RESOLUTION 2 RATIFICATION OF PREVIOUS ISSUE OF SHARES

2.1 The Company recently raised \$1,183,541 by issuing 197,256,811 ordinary shares to sophisticated investors at an issue price of \$0.006 per share as announced on 17 December 2009 (**Placement**). The completion of the Placement was a condition precedent to the Proposed Acquisition under the Share Purchase Agreement.

2.2 Listing Rule 7.1 imposes a 15% limit on the number of new securities that a company can issue over any 12 month period. The Placement did not breach Listing Rule 7.1.

2.3 Listing Rule 7.4 says that a company may seek the subsequent approval of shareholders for an issue of securities. The benefit of obtaining such approval is that the Company's capacity to raise additional capital without the need to obtain shareholder approval is refreshed.

2.4 Accordingly, the Company seeks the approval of Shareholders for the issue of Shares under the Placement so that its 15% issuing capacity is refreshed.

2.5 The following information is provided for the purposes of Listing Rule 7.5:

- (a) 197,256,811 fully paid ordinary shares were issued on 23 December 2009 (**Placement Shares**);
- (b) The issue price of the Placement Shares was \$0.006;
- (c) The Placement Shares rank equally with the fully paid ordinary shares in the Company already on issue.
- (d) The allottees were the following sophisticated investors and professional investors:
 - (i) Deplane Nominees Pty Ltd;
 - (ii) John Romulus Spangaro ATF the JR & MV Superannuation Fund;
 - (iii) Gwenyth Ruth Grant;
 - (iv) Bede Gibson as trustee for Bede & Mary Gibson Superannuation Fund;
 - (v) SSH Pty Ltd as trustee for McMillan Morgan Unit A/C;
 - (vi) MacAdvice Vic Pty Ltd;
 - (vii) PAD Nominees Pty Ltd;
 - (viii) Lisa Gaye Mitchell;
 - (ix) Pegari Pty Limited;
 - (x) John Cook Super Fund Pty Ltd <John Cook Super Fund A/C>;
 - (xi) Ms H Penko <Penko Super Fund>;
 - (xii) Charter Pacific Corporation Ltd; and
 - (xiii) M M Fleming Pty Ltd.

(Investors).
- (e) The funds raised are being used for working capital requirements of the Company.

Voting exclusion

2.6 The Company will disregard any votes cast on resolution 2 by:

- (a) a person who participated in the issue; and
- (b) an associate of those persons.

2.7 However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

2.8 The Directors, with the exception of Kevin Dart, who is a director of Charter Pacific, one of the allottees of Placement Shares, who does not make a recommendation, recommend that Shareholders vote in favour of resolution 2.

3. RESOLUTION 3 - APPROVAL OF ISSUE OF OPTIONS

3.1 In addition to the Placement Shares (explained in section 2 above), the Company agreed to issue the Investors with an equal number of Options, subject to the approval of Shareholders.

3.2 The Company could not issue the Options without shareholder approval as it would have exceeded the Company's 15% limit under Listing Rule 7.1. Accordingly, the Company is seeking the approval of Shareholders to issue the Options.

3.3 The following information is provided for the purposes of Listing Rule 7.3:

- (a) a maximum of 197,256,811 Options (pre-Consolidation) are to be issued;
- (b) the Options will be issued and allotted within three months of the date of the EGM;
- (c) the Options will be issued for nil consideration, but the Options will be exercisable at \$0.006 per Option;
- (d) the allottees are the same as the allottees of the Placement Shares as set out above;
- (e) the terms of the Options are:

- (i) Exercise price

Each Option will entitle the holder, on exercise, to subscribe for one unissued share in the Company for \$0.006.

- (ii) Exercising the Options

The Options will be exercisable at any time from the date of grant of the Options for 3 years (**Exercise Period**) by giving written notice to the Company which must be received by the Company by 5:00pm on the last day of the relevant Exercise Period (**Exercise Time**).

Any number of Options may be exercised by the Exercise Time.

(iii) Expiry of Options

Options expire at 5.00pm AEST on the last day of the Exercise Period.

(iv) Issue of shares

All shares allotted and issued on exercise of the Options will rank equally with the Company's existing fully paid ordinary shares (including as to dividends, entitlement to which is determined after allotment).

Shares will be allotted and issued within 15 days after the Company receives a notice of exercise of Option from the holder.

(v) Non-quotations of Options

No application will be made for the Options to be quoted on ASX.

(vi) Effect of Company re-organisations or new issues on Options

If there is any re-organisation in the Company's ordinary share capital before the Exercise Time (such as a subdivision or consolidation of capital, return of capital or cancellation of shares), the number of unexercised Options held by any person at the time of the re-organisation and the number of shares to be received on exercise of the Options, is intended to be adjusted proportionately with the re-organisation, in accordance with ASX Listing Rule 7.22. Following a re-organisation, however, the holder exercising an Option must not receive any benefit that holders of ordinary shares do not receive.

If the Company issues shares or other securities before the Exercise Time, the number of unexercised Options held by any person at the time of the issue and the number of shares to be received on exercise of the Options will not be adjusted.

There will be no change to the exercise price of the Options or the number of shares to which an Option will entitle a Company's shareholder if the Company makes a pro rata issue of shares or other securities to its shareholders.

(vii) Changes to entitlements and adjustments

The rights of the holder will be changed to the extent necessary to comply with the applicable laws and the listing rule of ASX (to the extent applicable), including those applying to a reorganisation of capital of the Company at the time of any reorganisation.

On exercise of an Option, in the case of fractions (if any), the number of shares issued is rounded down to the next lower whole number and the exercise price is rounded up to the next highest cent.

The Company must give notice to the holder of any adjustment to the number, description or items of securities which are to be issued on exercise of an Option, or to the exercise price.

(viii) Right to participate in new issues of shares

The holder does not have the right to participate in new issues of securities without exercising the Option; and

(f) no funds are being raised from the issue, as the Options are being issued for nil consideration.

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Voting exclusion

- 3.4 The Company will disregard any votes cast on resolution 3 by:
- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
 - (b) an associate of those persons.
- 3.5 However, the Company need not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

- 3.6 The Directors, with the exception of Kevin Dart, who is a director of Charter Pacific, one of the allottees of placement Shares and Options, who does not make a recommendation, recommend that Shareholders vote in favour of resolution 3.

4. RESOLUTION 4 – CHANGE TO COMPANY'S ACTIVITIES

Background to Proposed Acquisition

- 4.1 After reporting a net loss after income tax for the full year ended 31 March 2009 of \$2,487,123, the Company outlined to shareholders that the Directors were reviewing a number of opportunities in a wider range of areas to add value to the Company's strategic goals.
- 4.2 The Company has continued to evaluate investment opportunities, and in August 2009, the Company engaged in discussions with the shareholders of FarmWorks Merchandise Services Pty Ltd (**FarmWorks**) to purchase 100% of the issued shares in FarmWorks.

Share Purchase Agreement

- 4.3 The Company announced to the market on 22 October 2009 that it had entered into a share purchase agreement with FarmWorks and its shareholders (**Vendors**), subject to several conditions precedent, which have all been satisfied except for the following conditions which must be satisfied in order for the Proposed Acquisition to progress to completion:
- (a) the Company obtaining the necessary approvals from Shareholders, ASIC or ASX (where applicable) for the purchase of FarmWorks, the issue of shares in the Company (**Shares**) and the grant of Options to acquire Shares (**Options**) to the Vendors on completion of the Proposed Acquisition;
 - (b) the Vendors ensuring a loan to FarmWorks is converted into equity;
 - (c) the Vendors ensuring a loan to Conquest Crop Protection Pty Ltd (a wholly owned subsidiary of FarmWorks) is converted into equity; and
 - (d) the Vendors ensuring that all of the shares in the FarmWorks Subsidiaries are fully owned by FarmWorks (**Share Purchase Agreement**).

- 4.4 The total purchase price for the Proposed Acquisition includes:
- (a) Shares totalling 25% of the Company at completion of the Proposed Acquisition (508,545,255 pre-Consolidation Shares) (**Consideration Shares**);
 - (b) Options totalling 25% of the Options to acquire Shares in the Company currently on issue at completion of the Proposed Acquisition (100,418,936 pre-Consolidation Options) (**Consideration Options**);
 - (c) 2.5% of the total issued capital of the Company in Options to acquire Shares at an exercise price of \$0.02, if FarmWorks and the FarmWorks Subsidiaries achieve EBIT of \$5,000,000 in the 12 months after completion (**Tranche 1 Earn Out Options**);
 - (d) 2.5% of the total issued capital of the Company in Options to acquire Shares at an exercise price of \$0.25 if FarmWorks and the FarmWorks Subsidiaries achieve EBIT of \$10,000,000 in the 24 months after completion (**Tranche 2 Earn Out Options**); and
 - (e) deferred consideration up to a maximum of \$800,000 (**Deferred Consideration**).
- 4.5 The Consideration Shares are to be held in voluntary escrow for 12 months following completion.
- 4.6 The Deferred Consideration will be paid in monthly instalments for 24 months following completion. Accordingly, the maximum instalment payable each month is \$33,333. The Company proposes to fund these instalments from cash flows.
- 4.7 The terms of the Consideration Options will be on the same terms as the Options to acquire shares currently on issue:
- (a) the Options will be exercisable at any time up to expiry date upon payment of the exercise price per Option;
 - (b) the rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
 - (c) the Option holder cannot participate in any new issues of the Company without exercising the current Option.
- 4.8 The terms of the Tranche 1 and Tranche 2 Earn Out Options are set out in the Company's announcement '*Update on proposed acquisition of FarmWorks*' released to the market on 27 November 2009.
- 4.9 FarmWorks will also be entitled to appoint one representative to the Board on completion of the Proposed Acquisition.

Due Diligence

- 4.10 The Company has completed its due diligence investigations on FarmWorks and is satisfied with the outcome of those investigations.
- 4.11 Under the Share Purchase Agreement, four of the Vendors (who hold the majority of the shares in FarmWorks) (**Warrantors**) make detailed representations and warranties about FarmWorks, the Vendors, the Group Companies, accounts, records, audit and financial records, the FarmWorks business and assets, plant and equipment, inventory, trading arrangements, employees, litigation, compliance with laws, intellectual property, insurance, properties, environment and tax (**Warranties**).
- 4.12 The Vendors are given the opportunity to disclose information to the Company about the Warranties which is inaccurate in a disclosure letter. However, if following Completion, the Company subsequently discovers that any of the Warranties are untrue or inaccurate (apart from those disclosed in the disclosure letter), then the Company may take action against the Warrantors to recover their losses under the indemnity in the Share Purchase Agreement. The maximum liability of the Warrantors under the indemnity is \$5,000,000.

Approval under Listing Rule 11.1

- 4.13 Resolution 1 has been included so that Shareholders may approve, pursuant to Listing Rule 11.1 the Company proceeding with the Proposed Acquisition.
- 4.14 Listing Rule 11.1.2 provides that the Company must obtain the approval of the Shareholders if required by ASX, where the Company proposes a significant change to the nature or scale of its activities.
- 4.15 ASX has advised the Company that it considers that the Proposed Acquisition will amount to a change to the nature and scale of the Company's activities as contemplated by the Listing Rules.
- 4.16 On that basis, ASX has confirmed that the Company will be required to comply with Listing Rules 11.1.2 and 11.1.3 in respect of the Proposed Acquisition (which includes obtaining shareholder approval and compliance with Chapters 1 and 2 of the Listing Rules).
- 4.17 If resolutions 4 to 7 are approved by Shareholders, then trading in the Company's securities will be suspended immediately, until the Company meets the requirements of Chapters 1 and 2 of the Listing Rules.
- 4.18 The Company expects to comply with Chapters 1 and 2 following the EGM in February 2010. The Company is required to prepare and lodge a prospectus as a condition of re-admission to official quotation, which will be lodged in January 2010, prior to the Extraordinary General Meeting. All Shareholders will be posted a copy of the prospectus prior to the Extraordinary General Meeting.
- 4.19 Following the completion of the Proposed Acquisition, it is proposed that the Company will comply with the assets test as set out in Listing Rule 1.3. Further, when the Company applies for re-admission to official quotation in accordance with Chapters 1 and 2 of the Listing Rules, the Company expects to have 400 shareholders with a minimum marketable parcel of \$2,000. The Company does not intend to raise any additional capital as part of this process.

Current activities of the Company

- 4.20 ETT currently operates in the technology sector. Its primary activities consisted of operating the PATLOC Business, which provides a prepaid public internet access solution through terminals in accommodation houses in Australia.

Need for change of activities

- 4.21 As it has been noted in the Company's Annual Report for the financial year ended 31 March 2009, and in several announcements this year, the Directors have been reviewing a number of opportunities in a wider range of areas to add value to the Company's strategic goals.
- 4.22 The Company engaged in discussions with FarmWorks in August 2009 regarding the Proposed Acquisition. The Directors consider that the Proposed Acquisition is an opportunity for the Company to:
- (a) generate strong future revenue streams and profits from the growth strategy of FarmWorks in the short to medium term;
 - (b) build a strong diversified agricultural services business based upon the foundation created by FarmWorks; and
 - (c) participate in future growth in value in FarmWorks.

Proposed change and overview of the FarmWorks Business

- 4.23 The Company is proposing to acquire the 100% of FarmWorks, which operates the FarmWorks Business. The Company intends to retain the current management and employees of the FarmWorks after completion of the Proposed Acquisition.
- 4.24 FarmWorks was established in Western Australia in 2001, as a specialist provider of rural merchandise to the Australian agricultural industry. FarmWorks:
- (a) currently employs over 60 staff with approximately 66% of its revenue stream coming from Western Australia, 23% from New South Wales and Queensland and a further 11% being derived from South Australia;
 - (b) has a direct customer base of over 2500 growers through its branches and indirect access to a further 3000 growers through its agency network;
 - (c) has a well established network and acts as the access to market for a wide range of goods and services; and
 - (d) has experienced strong growth since inception with revenues in excess of \$92 million generated in the financial year ended 30 June 2009.

4.25 The current business activities of FarmWorks fall under the following categories:

FarmWorks Rural Merchandise (including Conquest Crop Protection Pty Ltd)

4.26 FarmWorks provides a full range of fertiliser, agricultural chemical and animal health products to the rural market. Conquest Crop Protection Pty Ltd (**Conquest**) is a 100% owned subsidiary of FarmWorks. Conquest is actively involved in the importation of technical actives and the toll manufacture of high quality generic crop protection chemicals.

FarmWorks Livestock

4.27 FarmWorks Livestock Services Pty Ltd (a wholly owned subsidiary of FarmWorks) business activities involves sales of livestock by auction, sales to Australian live exporters, sales to abattoirs, stud stock sales, feedlot supply and clearing sales.

FarmWorks Finance

4.28 FarmWorks Financial Solutions Pty Ltd (a wholly owned subsidiary of FarmWorks) offers brokering services for financial products to the rural market.

FarmWorks Real Estate

4.29 FarmWorks Property (WA) Pty Ltd (a wholly owned subsidiary of FarmWorks) specialises in all aspects of rural property sales ranging from pastoral leases in the Kimberly and Pilbara, broad acre farms in the wheat belt and lifestyle properties in the Perth metropolitan area.

Senior management of FarmWorks

4.30 Senior management of FarmWorks comprises:

- (a) Kevin Gammage – Managing Director;
- (b) Ross Withers – Chief Financial Officer;
- (c) Roy Morgan – General Manager Conquest;
- (d) Fred Lyon – General Manager Merchandising Operations;
- (e) Preston Clarke – General Manager FarmWorks Livestock;
- (f) Craig Milverton – State Manager FarmWorks Financial Solutions; and
- (g) Darren Tapscott – General Manager FarmWorks Property.

Pro forma balance sheet – post completion of the Proposed Transaction (consolidated entity)

4.31 A pro forma balance sheet for the Company post completion of the Proposed Transaction based on the Half Year accounts for the Company for the period ended on 30 September 2009 and the management accounts for FarmWorks for the period ended 30 September 2009 is attached as Annexure B.

FarmWorks historical financial information

4.32 The historical earnings and balance sheet information for FarmWorks and the FarmWorks Subsidiaries is attached as Annexure C. Earnings before interest and tax (**EBIT**) for the year ended 30 June 2009 for the FarmWorks Business was approximately \$1,999,000. The normalised EBIT for the same period was \$2,530,000 as set out in Annexure C of this document.

Independent Expert's Report

4.33 The Directors engaged HLB Mann Judd to prepare an Independent Expert's Report (**Independent Expert's Report**) in order to assist Shareholders in deciding whether to vote for or against the resolutions to give effect to the Proposed Acquisition.

4.34 The Independent Expert has concluded that the Proposed Acquisition is fair and reasonable.

Fairness

4.35 The Independent Expert has assessed the 'fairness' of the Proposed Acquisition by comparing the fair market value of the consideration being offered by the Company with the estimated fair market value of FarmWorks (as set out in the table below).

Estimated fair market value of ETT consideration	\$2,315,003
Estimated fair market value of FarmWorks	\$2,902,000

Reasonableness

4.36 The Independent Expert outlined that an offer is reasonable if it is fair. On that basis, the Independent Expert considers that the Proposed Acquisition is reasonable, having regard to the factors listed below:

Advantages

- (a) The Proposed Acquisition will provide an opportunity for the Company to generate strong future revenue streams and profits from FarmWorks' growth strategy. With additional access to shareholder capital via listed company ownership, the current FarmWorks levels of debt funding and working capital issues could be alleviated, thus reducing the cost of finance and increasing profitability.
- (b) The Company's major asset is cash. This is generating normal bank interest returns. The acquisition of FarmWorks will provide the Company with a business to focus on and will allow the Board to apply good corporate governance and skills in building a successful and profitable business providing a wide range of services to the agricultural industry.

Disadvantages

- (a) The FarmWorks Business is subject to certain risks (some of which have been noted in section 6 of the Independent Expert's Report).
- (b) The Company's current cash balance will be utilised in assisting the FarmWorks Business with immediate cash flow needs. In addition, FarmWorks may require further injection of capital within the next 12 months in order for it to take advantage of supplier discounts and foreign currency hedging strategies. If this need arises, capital markets may be in a state which may not be conducive to a successful capital raising.

4.37 A copy of the Independent Expert's Report is attached as Annexure A.

Shareholdings in the Company – before and after completion of the Proposed Acquisition and Placement

4.38 The shareholders of the Company as at the date of this Notice of Meeting and including the new shareholders on completion of the Proposed Acquisition and the Placement (as outlined in section 2) are set out in the table below:

Name of Shareholder	Share-holding Pre-Acquisition and Placement	% Holding	Share-holding Post Acquisition and Placement	% Holding
Charter Pacific Corporation Limited	262,937,416	19.79%	347,692,343	17.09%
EAN Investments Pty Ltd	157,413,991	11.85%	157,413,991	7.74%
Geobell Pty Ltd ACN 068 057 410 as trustee for The Caroline Trust	Nil	Nil	137,307,219	6.75%
Deeanem Pty Ltd ACN 101 737 982 as trustee for the Deeanem Trust	Nil	Nil	137,307,219	6.75%
Roy Norman Morgan as trustee for The Morgan Family Trust	Nil	Nil	137,307,219	6.75%
Telecards Asia Pty Ltd	58,000,000	4.37%	58,000,000	2.85%
Edmund James Lyon as trustee for The Glendale Trust	Nil	Nil	55,939,978	2.75%
M M Fleming Pty Ltd	Nil	Nil	36,666,667	1.80%
John Cook Super Fund Pty Ltd	27,552,691	2.08%	31,719,358	1.56%
Siwell Pty Ltd	28,940,823	2.18%	28,940,823	1.42%
Pacific Finance & Investments Pty Ltd	28,300,000	2.13%	28,300,000	1.39%
Claire Madelin as trustee for The Madelin Family Trust	Nil	Nil	25,427,263	1.25%
Mr Larry Colin Shutes	20,100,000	1.51%	20,100,000	0.99%
Mr Victor John Plummer	20,000,000	1.51%	20,000,000	0.98%
Mr Christopher James Carl	19,000,000	1.43%	19,000,000	0.93%
Topete Pty Ltd	18,380,000	1.39%	18,380,000	0.90%
Sarg Investments Pty Ltd	17,416,233	1.31%	17,416,233	0.86%
JR & MV Superannuation Fund	Nil	Nil	16,666,667	0.82%
Peter James Foreman as trustee for The PEJAFO Trust	Nil	Nil	15,256,357	0.75%
SSH Pty Ltd ATF McMillan Morgan Unit A/c	Nil	Nil	14,966,666	0.74%
Stir Crazy Restaurants Pty Limited	14,928,672	1.12%	14,928,672	0.74%
Pegari Pty Ltd	8,000,000	0.60%	13,000,000	0.64%
Elwood Pty Limited	12,000,000	0.90%	12,000,000	0.59%
Reef Securities Pty Limited	12,000,000	0.90%	12,000,000	0.59%
Apollan Pty Ltd	10,500,000	0.79%	10,500,000	0.52%
Classic Roofing Pty Ltd Superannuation Fund A/c	10,000,000	0.75%	10,000,000	0.49%
Remaining shareholders	602,909,128	45.39%	602,909,128	29.64%
Placement (excluding shares issued to Charter Pacific Corporation Limited under placement and other top 20 shareholders)	Nil	Nil	35,035,217	1.72%
Total	1,328,378,954	100%	2,034,181,020	100%

Note: The number of Shares in the above table do not take into account the proposed consolidation of Shares (as described in resolution 5), however, regardless of the consolidation, the percentage of shareholdings will remain the same.

4.39 This resolution is subject to the passing of resolutions 5, 6 and 7.

Voting exclusion

- 4.40 The Company will disregard any votes cast on resolution 4 by:
- (a) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
 - (b) an associate of those persons.
- 4.41 However, the Company need not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

- 4.42 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

5. RESOLUTION 5 – CONSOLIDATION

Background

- 5.1 Currently, the Company has 1,525,635,765 Shares on issue (pre-consolidation and including the shares issued under the Placement). Further the Company proposes to issue 508,545,255 Shares to the Vendors of FarmWorks if resolution 6 is passed. None of the currently issued Shares are subject to escrow restrictions.
- 5.2 The Company also has 104,000,000 Options (pre-consolidation) on issue and proposes to issue 197,256,811 bonus Options to the allottees of the Placement shares if resolution 3 is passed and 100,418,936 Options to the Vendors of FarmWorks if resolution 6 is passed.

Share consolidation

- 5.3 The Company's share capital must be consolidated by reducing the existing number of Shares on issue (**Consolidation**), in order to ensure that the value of each Share on issue is at least 20 cents, as required by condition 2 of Listing Rule 2.2.
- 5.4 The ratio of the Consolidation has not yet been determined by the Company, because the Consolidation must be undertaken at the Company's share price at the close of trading on the Trading Day immediately prior to the Extraordinary General Meeting. The last day for registration of pre-Consolidation transfers will be 4 business days after the date of the Extraordinary General Meeting. If ASX approval is obtained for re-quotations of the Company's Shares, then trading will re-commence at the post-Consolidation basis.
- 5.5 Some examples of the Consolidation ratio by reference to the Company's share price, and the effect of the Consolidation on the Company's issued capital is set out in Annexure D.
- 5.6 Subject to the passing of resolution 2, in accordance with Listing Rule 7.22, the Options will be consolidated in line with the consolidation of Shares. To preserve the parity of the exercise price, the exercise price of the Options will be amended in inverse proportion to the Consolidation ratio.

- 5.7 The Consolidation does not involve a capital reduction or any capital gains tax issues. Under section 254H Corporations Act, a consolidation of this type is permitted if it is passed by Shareholders as an ordinary resolution.
- 5.8 The consolidation of the Company's capital will enable it to comply with Listing Rule 2.1 Condition 2, which is a pre-condition of its Shares being re-quoted on ASX after the Proposed Acquisition is completed.
- 5.9 The Consolidation will not result in any adverse tax consequences for Shareholders and, immediately after the Consolidation, each Shareholder will hold the same proportion of the Company's capital in voting power as before the Consolidation prior to the shares being issued under resolution 6.
- 5.10 The timetable for the proposed Consolidation (in accordance with the timetable set out in Appendix 7A of the Listing Rules is as follows:

Event	Date
ASX is notified of approval of Consolidation by Shareholders (if resolution 5 is passed) and last day for trading pre-Consolidation Shares.	19 February 2010 (date of meeting)
First day for trading Consolidated Shares	Date on which the Company is re-quoted (anticipated as 26 February 2010)
Last day for entity to register transfers on a pre-Consolidation basis	1 March 2010

- 5.11 This resolution is subject to the passing of resolutions 4, 6 and 7.

Directors' recommendation

- 5.12 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS TO VENDORS OF FARMWORKS

Background

- 6.1 As outlined in paragraph 4.4 above, the purchase price for the Proposed Acquisition includes the issue of Shares equal to 25% of the Company's Shares on issue (508,545,255 pre-Consolidation Shares) (**Consideration Shares**), and the issue of Options equal to 25% of the Company's Options to acquire Shares on issue at completion of the Proposed Acquisition (100,418,938 pre-Consolidation Options) (**Consideration Options**) to the Vendors.

- 6.2 If the Proposed Acquisition is approved by Shareholders (and if the Company complies with Chapters 1 and 2 of the Listing Rules), on completion of the Proposed Acquisition the Vendors will hold the following percentages of the total Shares and Options on issue:

Name of FarmWorks Shareholder	Percentage of total Shares on issue	Percentage of total Options on issue
Geobell Pty Ltd ACN 068 057 410 as trustee for The Caroline Trust	6.75%	6.75%
Deeanem Pty Ltd ACN 101 737 982 as trustee for the Deeanem Trust	6.75%	6.75%
Peter James Foreman as trustee for The PEJAFO Trust	0.75%	0.75%
Edmund James Lyon as trustee for The Glendale Trust	2.75%	2.75%
Claire Madelin as trustee for The Madelin Family Trust	1.25%	1.25%
Roy Norman Morgan as trustee for The Morgan Family Trust	6.75%	6.75%
Total	25.00%	25.00%

- 6.3 Given that the passing of this resolution is subject to the passing of resolution 5 (approval to consolidate the Company's share capital), the exact number of Consideration Shares and Consideration Options (post-Consolidation) that will be issued to the Vendors is not known, however the percentages will not change.

Listing Rule 7.1

- 6.4 Shareholder approval for the proposed issue of the Consideration Shares and Consideration Options is required under Listing Rule 7.1.
- 6.5 Listing Rule 7.1 imposes a 15% limit on the number of new securities that a company can issue over any 12 month period. Listing Rule 7.1 provides that a company may seek the approval of shareholders to an issue of securities which would exceed the 15% cap prescribed by it.
- 6.6 Accordingly, the Company is seeking the approval of Shareholders to issue Shares equal to 25% of the Shares currently on issue in the Company, and Options equalling 25% of the Options to acquire Shares in the Company currently on issue to the Vendors as consideration for the Proposed Acquisition.
- 6.7 If approved, the issue of the Consideration Shares and Consideration Options to the Vendors will not be counted for the purpose of the 15% limit under Listing Rule 7.1 in respect of any future issues of securities during the relevant period.
- 6.8 The Consideration Shares and the Consideration Options will not be issued to the Vendors until the Company satisfies ASX's requirements for its Shares to be re-quoted on ASX.
- 6.9 The Vendors have agreed that the Shares issued to them as part of the consideration for the Proposed Acquisition will be subject to voluntary escrow restrictions for a minimum period of 12 months from completion of the Proposed Acquisition.

6.10 The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of Shares to be issued is Shares equal to 25% of the Shares on issue in the Company on completion of the Proposed Acquisition and the maximum number of Options to acquire Shares in the Company to be granted is Options equal to 25% of the Options on issue on completion of the Proposed Acquisition.
- (b) ASX has advised that the Consideration Shares and the Consideration Options must not be issued to the Vendors until the Company complies with Chapters 1 and 2 of the Listing Rules. Accordingly, the Company expects that the Consideration Shares and Consideration Options will be issued and allotted on the date of completion of the Proposed Acquisition and no later than 3 months after the Extraordinary General Meeting.
- (c) The issue price for the Consideration Shares will be the Company's Share price on the day of issue. There is no issue price for the Consideration Options. However, the Vendors will be required to pay an exercise price to exercise the Consideration Options.
- (d) The classes of Options currently on issue and the relevant exercise prices of those Options are set out in the table below. Each Vendor will receive a portion of its entitlement to receive Consideration Options on a pro rata basis out of each class of Options set out below. The exercise prices will be adjusted in accordance with the Consolidation (as set out in section 5 above). The shares issued on the exercise of the Options will not be subject to a voluntary escrow period.

Number of Options	Issue date	Exercise price	Expiry date
5,000,000	31.08.2007	\$0.030	31.08.2010
23,000,000	31.08.2007	\$0.035	31.08.2011
45,000,000	21.12.2007	\$0.020	21.12.2010
3,000,000	29.05.2008	\$0.020	29.05.2011
10,000,000	22.10.2008	\$0.020	21.10.2011
2,000,000	10.07.2009	\$0.020	31.03.2011
16,000,000	22.10.2008	\$0.010	21.10.2012
104,000,000			

- (e) The allottees of the Consideration Shares and Consideration Options and the percentage of the total issued Shares and Options in the Company those allottees will hold on completion of the Proposed Acquisition are set out in the table below:

Name of FarmWorks Shareholder	Percentage of total Shares on issue	Percentage of total Options on issue
Geobell Pty Ltd ACN 068 057 410 as trustee for The Caroline Trust	6.75%	6.75%
Deeanem Pty Ltd ACN 101 737 982 as trustee for the Deeanem Trust	6.75%	6.75%
Peter James Foreman as trustee for The PEJAFO Trust	0.75%	0.75%
Edmund James Lyon as trustee for The Glendale Trust	2.75%	2.75%
Claire Madelin as trustee for The Madelin Family Trust	1.25%	1.25%
Roy Norman Morgan as trustee for The Morgan Family Trust	6.75%	6.75%
Total	25.00%	25.00%

The following tables set out the capital structure of both Shares and Options in the Company both before completion of the Proposed Acquisition and after the completion of the Proposed Acquisition (the pre-Acquisition numbers include Shares issued as part of the Placement and the bonus Options to be issued if resolution 3 is approved):

Shareholder	Share-holding Pre-Acquisition	% Holding	Share-holding Post Acquisition	% Holding
FarmWorks Vendors	Nil	0%	508,545,255	25%
Existing Shareholders	1,525,635,765	100%	1,525,635,765	75%
Total	1,525,635,765	100%	2,034,181,020	100%

Please refer to the table at section 4.38 for a breakdown of the numbers of Shares to be issued to each Vendor.

Option Holder	Holding Pre-Acquisition	% Holding	Holding Post Acquisition	% Holding
FarmWorks Vendors	Nil	0%	100,418,936	25%
Existing holders	301,256,811	100%	301,256,811	75%
Total	301,256,811	100%	401,675,747	100%

- (f) The Consideration Shares will rank equally with all other ordinary Shares on issue and will be escrowed for a period of 12 months from the date of issue.
- (g) The Consideration Options will be issued on the same terms and conditions as the Options already in existence.

6.11 This resolution is subject to the passing of resolutions 4, 5 and 7.

Voting exclusion

- 6.12 The Company will disregard any votes cast on resolution 6 by:
- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
 - (b) an associate of those persons.
- 6.13 However, the Company need not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

- 6.14 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

7. RESOLUTION 7 – CHANGE OF NAME OF COMPANY

- 7.1 Given that the Proposed Acquisition involves a significant change to the nature and scale of the Company's activities as outlined above, if resolutions 1 to 3 (inclusive) in this Notice are passed, then 'ETT' would no longer appropriately reflect the Company's business going forward. Accordingly, the Company seeks the approval of Shareholders to change its name to 'FarmWorks Australia Limited'.
- 7.2 Section 157 Corporations Act requires that the Company pass a special resolution in order for it to change its name. A special resolution requires approval by at least 75% of the votes cast by members entitled to vote on the resolution.
- 7.3 If resolution 7 is passed by special resolution (assuming resolutions 1 to 3 (inclusive) are passed), the Company must lodge a copy of the special resolution with ASIC within 14 days of the Extraordinary General Meeting. The change of name takes effect when ASIC alters the details of the Company's registration.
- 7.4 This resolution is subject to the passing of resolutions 4, 5 and 6.

Directors' recommendation

- 7.5 The Directors recommend that Shareholders vote in favour of this resolution.

8. RESOLUTION 8 – APPROVAL OF INCREASE TO MAXIMUM AGGREGATE ANNUAL FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

8.1 ASX Listing Rule 10.17 requires the Company to obtain the approval of Shareholders to increase the total amount of directors' fees payable by the Company to non-executive directors.

8.2 Article 13.3(a) of the Company's constitution provides that:

“the Directors are to be paid out of funds of the Company as remuneration for their services as Directors, such sum accruing from day to day as the Company in general meeting determines to be divided among them in such proportion and manner as they agree or in default of agreement equally.”

8.3 The current maximum aggregate amount of \$150,000 was set at the Company's Annual General Meeting in September 2005.

8.4 Given that the maximum aggregate amount of directors' fees have not been increased for over four years, as well as the Company's intentions in respect of the Proposed Acquisition, the Board considers it appropriate to increase the maximum amount of directors' fees payable to \$440,000, and accordingly, the Company is seeking Shareholder approval for the increase. The total amount of increase to the maximum aggregate annual fees payable to non-executive directors is \$290,000.

8.5 The proposed increase will:

- (a) provide scope for additional directors to join the board at appropriate times (including the FarmWorks nominee director);
- (b) allow greater flexibility with respect to individual director's remuneration;
- (c) increase the potential for the Board to be able to both retain and attract further appropriately qualified directors, by increasing the benchmark remuneration of the Company's directors; and
- (d) in the opinion of the Board, see the remuneration level of the Company to be consistent with the aggregate level of remuneration paid by similarly sized companies.

The proposed increase does not mean that the maximum aggregate will be paid out to directors in any particular year.

Voting exclusion

8.6 The Company will disregard any votes cast on resolution 8 by:

- (a) a director of the Company; and
- (b) an associate of those persons.

8.7 However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

GLOSSARY

In the attached Notice of Meeting and Explanatory Memorandum, the following words and expressions have the following meanings:

Term	Definition
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691.
Board	means the board of directors of the Company.
Company or ETT	means ETT Limited ACN 091 320 464.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Chairman	means the Chairman of the Company as approved from time to time and includes an acting Chairman.
Directors	means the directors of the Company from time to time.
EBIT	means earnings before interest and income tax.
EGM and Extraordinary General Meeting	means the extraordinary general meeting of the Company to be held on 19 February 2010.
Explanatory Memorandum	means the explanatory memorandum accompanying this Notice.
FarmWorks	means FarmWorks Merchandise Services Pty Ltd ACN 098 350 308.
FarmWorks Business	means the business of supplying goods (fertiliser, agricultural chemicals, animal health products and crop protection chemicals) and services (livestock services, financial services and services in relation to property) to the Australian agricultural sector operated by FarmWorks and the FarmWorks Subsidiaries.
FarmWorks Subsidiaries	means: <ul style="list-style-type: none">(a) FarmWorks Australia Livestock Pty Ltd ACN 111 444 725;(b) FarmWorks Australia Financial Services Pty Ltd ACN 117 571 221;(c) FarmWorks Financial Solutions Pty Ltd ACN 113 364 768;(d) FarmWorks Property (WA) Pty Ltd ACN 106 908 249;(e) Conquest Crop Protection Pty Ltd ACN 098 814 932;(f) FarmWorks Australia Pty Ltd ACN 134 470 358;(g) FarmWorks Investments Pty Ltd ACN 128 671 536;(h) FarmWorks Carnamah Pty Ltd ACN 106 397 835;(i) FarmWorks Esperance Pty Ltd ACN 107 001 552;(j) FarmWorks Hyden Pty Ltd ACN 112 533 374;(k) FarmWorks Narrogin Pty Ltd ACN 109 913 635; and(l) FarmWorks Corrigin Pty Ltd ACN 103 626 286.
HLB Mann Judd	means HLB Mann Judd Corporate (WA) Pty Ltd ACN 008 878 555.

Term	Definition
Independent Expert's Report	means the report prepared by HLB Mann Judd attached as Annexure A.
Listing Rules or ASX Listing Rules	means Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Notice and Notice of Meeting	means the Notice of EGM included in this booklet.
Option	means an option to acquire a Share.
PATLOC Business	means the prepaid internet cards and kiosks business conducted by Ultimate Transactions Pty Ltd ACN 101 092 246.
Proposed Acquisition	means the offer by the Company to purchase all of the issued Shares in FarmWorks under the terms of the Share Purchase Agreement.
Proxy Form	means the proxy form attached to this Notice of Meeting.
Share	means a share in the capital of the Company, the terms of which are contained in the constitution of the Company.
Share Purchase Agreement	means the agreement between ETT, FarmWorks and the Vendors under which ETT agrees to acquire FarmWorks dated 22 October 2009.
Shareholders	means the holders of the Shares in the Company from time to time.
Trading Day	means a day on which sales in Shares were recorded on ASX.

Annexure A

Independent Expert's Report

For personal use only



Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555

Licensed Investment Adviser

For personal use only

Independent Expert's Report
ETT Limited



Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555

Licensed Investment Adviser

FINANCIAL SERVICES GUIDE

Dated 1 July 2009

1. HLB Mann Judd Corporate (WA) Pty Ltd

HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 ("HLB Mann Judd Corporate" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 250903**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services;
- superannuation; and
- debentures, stocks or bonds issued or proposed to be issued by a government

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

For personal use only

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLB Mann Judd Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HLB Mann Judd Corporate has no employees. All personnel who complete reports for HLB Mann Judd Corporate are partners of HLB Mann Judd (WA Partnership). None of those partners are eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HLB Mann Judd Corporate is wholly owned by HLB Mann Judd (WA Partnership). Also, our directors are partners in HLB Mann Judd (WA Partnership). Ultimately the partners of HLB Mann Judd (WA Partnership) own and control HLB Mann Judd Corporate.

From time to time HLB Mann Judd Corporate or HLB Mann Judd (WA Partnership) may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1. Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (WA) Pty Ltd, 2nd Floor, 15 Rheola Street, West Perth WA 6005.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2 *Referral to external disputes resolution scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOS”). FOS independently and impartially resolves disputes between consumers, including some small business, and participating financial services providers.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.

For personal use only



Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555

Licensed Investment Adviser

0911 ETT015 REP
LDI/CDC

15 December 2009

The Directors
ETT Limited
Level 1, 59 Parraween Street
CREMORNE NSW 2090

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

On 22 October 2009 ("Announcement Date"), ETT Limited ("ETT" or the "Company") announced that it had entered into a Share Purchase Agreement ("SPA") under which it would acquire a 100% interest in the FarmWorks group ("Proposed Acquisition"). The FarmWorks group comprises the entities listed in Section 1.2 of this report and will be referred to in this report as "FarmWorks". The key material terms of the SPA, including the purchase price, are set out in Section 1.1 of this Report.

2. PURPOSE OF THE REPORT

A component of the purchase price for the Proposed Acquisition comprises the issue of shares and options in ETT to the current owners of FarmWorks. Shareholder approval for the proposed issue of shares and options is required under Australian Securities Exchange ("ASX") Listing Rules 7.1 and 11.1. Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issues, except with the prior approval of members of the Company in general meeting of the terms and conditions of the proposed issue, or where certain other exemptions apply. Listing Rule 11.1 provides that the Company must obtain the approval of the shareholders if required by the ASX, where the proposal is a significant change to the nature of the Company's activities. The Proposed Acquisition will amount to a significant change to the nature and scale of the Company's activities.

The Directors of ETT have requested that HLB Mann Judd Corporate (WA) Pty Ltd ("HLB") provide an independent expert's report ("Report") advising whether, in our opinion, the Proposed Acquisition is fair and reasonable to the non-associated shareholders of ETT. "Non-associated shareholders" would be deemed to be all shareholders of ETT other than those (if any) who might obtain a benefit as a result of the Proposed Acquisition - for example, if any of the current FarmWorks shareholders are already shareholders of ETT.

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HLB Mann Judd Corporate (WA) Pty Ltd is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

2. PURPOSE OF THE REPORT (CONTINUED)

This independent expert's report has been prepared to assist shareholders in their decision whether to vote for or against the resolutions giving effect to the Proposed Acquisition.

We have prepared this Report having regard to the relevant Australian Securities and Investments Commission ("ASIC") releases. ASIC Regulatory Guide 74 "Acquisitions Agreed to by Shareholders" suggests that the obligation to supply shareholders with all information that is material to the decision on how to vote on the resolutions giving effect to the Proposed Acquisition, can be satisfied by either:

- (a) undertaking a detailed examination of the Proposed Acquisition, if they consider that they have sufficient expertise; or
- (b) by commissioning an independent expert's report.

The Directors of ETT have commissioned this Report to satisfy this obligation.

We have also had regard to ASIC Regulatory Guide 111 "Content of Expert Reports" and ASIC Regulatory Guide 112 "Independence of Experts". Further details are provided in Section 2 of this Report.

This Report is to be included in the Notice of Extraordinary General Meeting and Explanatory Memorandum ("Notice of Meeting") for the meeting to be held on 1 February 2010 to consider the resolutions giving effect to the Proposed Acquisition, for the purpose of assisting shareholders in their consideration of those resolutions. This Report should not be used for any other purpose.

3. SUMMARY AND OPINION

In order to assess whether the Proposed Acquisition is fair and reasonable, we have:

- assessed whether the Proposed Acquisition is fair by estimating the fair market value of an ordinary ETT share (value of consideration offered) and comparing the value to the estimated fair market value of the FarmWorks group being acquired; and
- assessed the reasonableness of the Proposed Acquisition by considering other advantages and disadvantages of the Proposed Acquisition to shareholders.

3.1 Fairness

Set out in the table below is a comparison of our assessment of the fair market value of the consideration offered by ETT with the estimated fair market value of the FarmWorks group being acquired under the Proposed Acquisition.

Estimated fair market value of ETT consideration (Section 7.2)	\$	2,315,003
Estimated fair market value of FarmWorks (Section 6.2)		2,902,000

The consideration offered by ETT under the terms of the Proposed Acquisition is below the value of our estimate of the fair market value of the FarmWorks group.

Accordingly, it is our opinion that the Proposed Acquisition is fair.

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Valuation of an ETT share

As set out in Section 5 of this Report, the fair market value of an ETT share has been determined using the *net assets on a going concern* method. We have also referred to the share trading history of ETT shares over the past 12 months.

Valuation of FarmWorks

As set out in Section 6 of this Report, we have valued the FarmWorks business also using the *net assets on a going concern* method.

3.2 Reasonableness

The Proposed Acquisition is reasonable.

In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. On this basis, in our opinion, the Proposed Acquisition is reasonable. We have also identified the following factors in relation to the reasonableness of the Proposed Acquisition.

3.2.1 Advantages of accepting the Proposed Acquisition

- The Proposed Acquisition will provide an opportunity for the Company to generate strong future revenue streams and profits from the FarmWorks growth strategy. With additional access to shareholder capital via listed company ownership, the current FarmWorks working capital issues and levels of debt funding could be alleviated, thus reducing the cost of finance and increasing profitability.
- ETT's major asset is currently cash. This is generating normal bank interest returns. The acquisition of FarmWorks will provide the Company with a business to focus on and will allow the Board to apply good corporate governance and skills in creating a successful and profitable business providing a wide range of services to the agricultural industry.

3.2.2 Disadvantages of accepting the Proposed Acquisition

- The FarmWorks business is subject to certain risks, some of which have been noted in Section 6 of this Report. Some of these risks are risks that ETT shareholders have not faced before.
- The current ETT cash balance will most likely be utilised in assisting the FarmWorks business with immediate cash flow needs. In addition, FarmWorks may require further injection of capital within the next 12 months in order for it to take advantage of supplier discounts and foreign currency hedging strategies. If this need arises, capital markets may be in a state which may not be conducive to a successful capital raising.

3.2.3 Other Considerations

- An individual shareholder's decision in relation to the Proposed Acquisition may be influenced by his or her particular circumstances. We have considered the Proposed Acquisition for ETT Shareholders as a whole. We have not considered the effect of the Proposed Acquisition on the particular circumstances of individual shareholders nor have we considered their individual objectives, financial situation or needs. Due to their particular circumstances, individual shareholders may place different emphasis on various aspects of the Proposed Acquisition from the one adopted in this Report. Accordingly, individuals may reach different conclusions as to whether the Proposed Acquisition is fair and reasonable.

In conclusion, as the Proposed Acquisition is fair, it is also reasonable.

4. *Conclusion*

We are of the opinion that the Proposed Acquisition is fair and reasonable to ETT's non-associated shareholders.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully
HLB MANN JUDD CORPORATE (WA) PTY LTD
Licensed Investment Advisor (AFSL Licence number 250903)

L DI GIALONARDO
Authorised Representative

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ETT LIMITED
INDEPENDENT EXPERT'S REPORT
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ETT LIMITED

INDEPENDENT EXPERT'S REPORT**1. DETAILS OF THE PROPOSED ACQUISITION****1.1 Summary**

On 22 October 2009, ETT announced that it had entered into a Share Purchase Agreement ("SPA") under which it would acquire a 100% interest in FarmWorks ("Proposed Acquisition") from the current owners of FarmWorks ("vendors").

The vendors and their percentage ownership of FarmWorks are as follows:

<i>Name of shareholder</i>	<i>%</i>
Geobell Pty Ltd atf The Caroline Trust	27
Deeanem Pty Ltd atf The Deeanem Trust	27
Peter James Foreman atf The PEJAFO Trust	3
Edmund James Lyon atf The Glendale Trust	11
Claire Madelin atf The Madelin Family Trust	5
Roy Norman Morgan atf The Morgan Family Trust	27
	100

The purchase price for the Proposed Acquisition comprises the following:

- (a) The issue to the vendors of a number of shares in ETT such that at the completion of the transaction, those vendors will hold in total, 25% of the issued capital of ETT. At the date of this Report, and in accordance with the disclosure in the Notice of Meeting, the number of shares to be issued is 508,545,185, prior to the consolidation of shares noted below. These shares will be escrowed for a period of 12 months from the date of issue.
- (b) The issue to the vendors of a number of options in ETT on the same terms and conditions as options already in existence such that at the completion of the transaction, those vendors will hold in total, 25% of the total ETT options on issue. At the date of this Report, and in accordance with the disclosure in the Notice of Meeting, the number of options to be issued is 100,418,936, prior to the consolidation of options noted below.
- (c) The issue of 2.5% of the issued capital in ETT in options to the vendors if the FarmWorks Earnings before Interest and Tax ("EBIT") reaches \$5,000,000 in the 12 months after acquisition.
- (d) The issue of 2.5% of the issued capital in ETT in options to the vendors if the FarmWorks EBIT reaches \$10,000,000 in the 24 months after acquisition.
- (e) The payment of a maximum of \$800,000 in cash to the vendors payable in monthly instalments for a period of 24 months after acquisition.

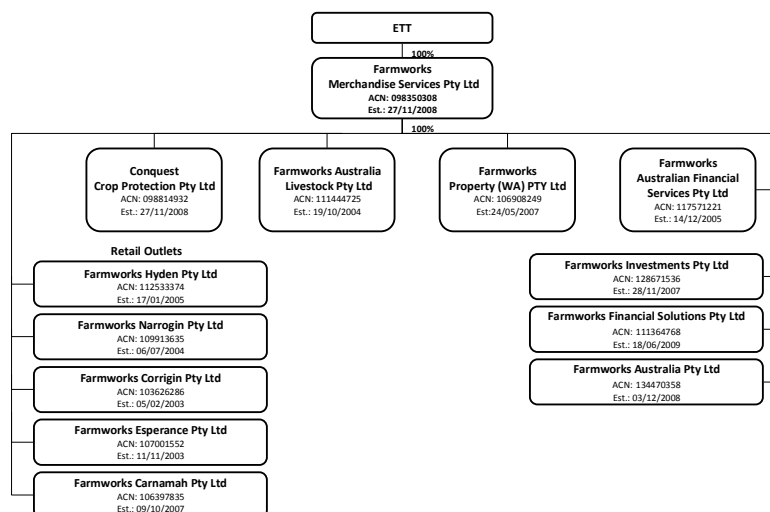
The Proposed Acquisition is subject to various conditions, the most significant being:

- Approval of the Proposed Acquisition by ETT shareholders, ASIC and ASX (where applicable), and in particular, the issue of share and options to fund the acquisition;
- The reorganisation of the capital of the Company by consolidating the issued capital. As announced to ASX on 27 November 2009, the Company will seek the approval of shareholders to consolidate the capital of the Company so that each ordinary share will have an issue price or sale price of at least 20 cents. The consolidation ratio will be based on the Company's share price on the last trading day prior to the date of the Extraordinary Meeting. The Company's issued options will also be consolidated on the same basis and the exercise price for these options will be adjusted on a pro rata basis;
- Appointment of a FarmWorks representative to the Company Board;
- Due diligence investigations being conducted by the Company to its reasonable satisfaction;
- The change to the Company's name as determined by the ETT Board;
- The Company obtaining requisite consent from its existing financier, or finance from an equivalent financial institution on no less favourable terms than under the Company's existing finance facility;
- The Company completing a placement of up to 15% of the share capital of the Company at an issue price to be determined by the Company's Board (as set out elsewhere in the Notice of Meeting, the Company is seeking shareholder ratification of the placement of 197,256,811 shares to sophisticated investors and institutions at \$0.006 per share);
- The vendors ensuring that \$3,929,900 in vendor loans in certain of the FarmWorks group companies are converted to equity in those companies (in the form of fully paid shares) prior to the acquisition occurring; and
- The vendors ensuring that all of the shares in the companies comprising the FarmWorks group are fully owned by the vendors prior to the acquisition occurring.

1.2 FarmWorks Group

The FarmWorks group of companies that comprise the entities in which ETT will be acquiring 100% of the issued share capital, is made up of the following entities:

Group Structure



The SPA stipulates that all of the abovementioned entities are to be wholly owned by the vendors prior to the Proposed Acquisition occurring. This will be achieved by any of the entities' shareholders who are not the vendors, transferring their shareholdings to the vendors prior to completion of the Proposed Acquisition. For the purposes of this Report, we have assumed that this has occurred and that the vendors are the only shareholders (ultimately) of the entities comprising the FarmWorks group.

2. SCOPE OF THE REPORT

2.1 Purpose of the Report

A component of the purchase price for the Proposed Acquisition comprises the issue of shares and options in ETT to the current owners of FarmWorks. Shareholder approval for the proposed issue of shares and options is required under Australian Securities Exchange ("ASX") Listing Rules 7.1 and 11.1. Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issues, except with the prior approval of members of the Company in general meeting of the terms and conditions of the proposed issue, or where certain other exemptions apply. Listing Rule 11.1 provides that the Company must obtain the approval of the shareholders if required by the ASX, where the proposal is a significant change to the nature of the Company's activities. The Proposed Acquisition will amount to a significant change to the nature and scale of the Company's activities.

The Directors of ETT have requested that HLB provide this Report advising whether, in our opinion, the Proposed Acquisition is fair and reasonable to the non-associated shareholders of ETT. "Non-associated shareholders" would be deemed to be all shareholders of ETT other than those (if any) who might obtain a benefit as a result of the Proposed Acquisition – for example, if any of the current FarmWorks shareholders are already shareholders of ETT.

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This Report has been prepared to assist shareholders in their decision whether to vote for or against the resolutions giving effect to the Proposed Acquisition.

2.2 Basis of Evaluation

We have prepared this report having regard to the relevant Australian Securities and Investments Commission ("ASIC") releases. ASIC Regulatory Guide 74 "Acquisitions Agreed to by Shareholders" suggests that the obligation to supply shareholders with all information that is material to the decision on how to vote on the Resolutions, can be satisfied by either:

- (a) undertaking a detailed examination of the Proposed Acquisition, if they consider that they have sufficient expertise; or
- (b) by commissioning an independent expert's report.

The Directors of ETT have commissioned this Report to satisfy this obligation.

We have also had regard to ASIC Regulatory Guide 111 "Content of Expert Reports" and ASIC Regulatory Guide 112 "Independence of Experts". Further details are provided below.

This Report is to be included in the Notice of Extraordinary General Meeting and Explanatory Memorandum ("Notice of Meeting") for the meeting to be held on or about 5 February 2010 to consider the resolutions giving effect to the Proposed Acquisition, for the purpose of assisting shareholders in their consideration of those resolutions. This Report should not be used for any other purpose.

2.2.1 Fairness

In determining the fairness and reasonableness of the Proposed Acquisition, we have had regard to ASIC Regulatory Guide 111, which states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price (in this case, the value of the purchase consideration) and the value that may be attributed to the securities under offer (in this case, the value of the FarmWorks group) (*fairness*) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (*reasonableness*).

The concept of *fairness* is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in this offer (in this case, the value of the FarmWorks group). Furthermore, this comparison should be made assuming 100% ownership of the "target" (in this case, 100% of the FarmWorks entities is being acquired) and irrespective of whether the consideration is scrip or cash.

Accordingly we have assessed whether the Proposed Acquisition is fair by comparing the value of the FarmWorks entities with the value of each ETT share. We assessed the value of each ETT share by determining the current value of ETT as a whole and dividing this value by the number of shares on issue.

The shares have been valued at fair market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to gain control, to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of ETT has not been premised on the existence of a special purchaser.

2.2.2 Reasonableness

ASIC Regulatory Guide 111 states that an offer is reasonable if it is fair. An offer may also be reasonable, if despite it not being fair, there are significant factors which in the expert's opinion shareholders should consider in accepting the offer.

2.2.3 Individual circumstances

We have evaluated the Proposed Acquisition for ETT shareholders as a whole. We have not considered the effect of the Proposed Acquisition on the particular circumstances of individual shareholders. Due to their particular circumstances, individual shareholders may place a different emphasis on various aspects of the Proposed Acquisition from the ones adopted in this Report. Accordingly, individual shareholders may reach different conclusions to ours on whether the Proposed Acquisition is fair and reasonable. If in doubt, shareholders should consult an independent adviser.

2.3 Limitations and Reliance on Information

HLB's opinion is based on economic, sharemarket, business trading and other conditions and expectations prevailing at the date of this Report. These conditions can change significantly over relatively short periods of time. If these conditions did change materially the valuations and opinions could be different in these changed circumstances.

This report is also based upon financial information and other information provided by ETT and its consultants. HLB has considered and relied upon this information. HLB has no reason to believe that any material facts have been withheld. The information provided to HLB has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Proposed Acquisition is fair and reasonable. However, in preparing reports such as this, time is limited and HLB does not warrant that its enquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to fairness and reasonableness is more in the nature of an overall review rather than a detailed audit or investigation.

An important part of the information used in forming an opinion of the kind expressed in this Report is comprised of the opinions and judgment of management. This type of information was also evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or valuation.

Preparation of this Report does not imply that HLB has audited in any way the management accounts or other records of ETT or any of the FarmWorks entities. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years except as otherwise noted.

The information provided to HLB included historical financial information and budgets for ETT and the FarmWorks entities and their key businesses. ETT is responsible for this information. HLB has used and relied on this information for the purpose of analysis. HLB has assumed that this information was prepared appropriately and accurately based on the information available to management at the time and within the practical constraints and limitations of such information. HLB has assumed that this information does not reflect any material bias, either positive or negative. HLB has no reason to believe otherwise.

3. PROFILE OF ETT

3.1 Company History

ETT was admitted to the Official List of ASX on 21 February 2000 as E.Phone Limited. Its principal activities in these earlier years comprised the development of its traditional PATLOC products with terminals installed in a variety of hotel and restaurant outlets, the establishment of GCNG electronic kiosks which dispensed mobile phone cards and auxiliary products and various specialised transaction processing software products.

In recent years, the Company had signed an agreement with IP Star Australia Pty Ltd (IPStar) to become the National Service Operator (“NSO”) for the Internet Broadband Satellite Thaicom4 (also known as IPSTAR 1) in Australia. In 2008, the Company and IPStar undertook arbitration in relation to the NSO agreement. This dispute was eventually settled, and as a result, the Company closed its operations as an NSO under the NSO Agreement. It continued to operate the PATLOC business of specialised software products.

3.2 Assets

The Company's assets comprise predominantly cash, having undertaken a capital raising by way of rights issue and private placement amounting to \$7.5 million (after costs) in December 2007. Continual losses have reduced this cash balance to a level of \$3.3 million at 31 March 2009 and \$3.395 million at 30 September 2009.

Costs previously incurred in establishing the PATLOC technology had been written off in prior years. An immaterial value for software remains capitalised in the Company's balance sheet.

3.3 Legal Structure

The ETT group structure as set out in the 2009 Annual Report is as follows:

Group Entity	Place of Incorporation	Interest Held %
<i>Parent Entity:</i>		
ETT Limited	Australia	
<i>Controlled Entities:</i>		
Ultimate Internet Pty Ltd	Australia	100
Ultimate Transactions Pty Ltd	Australia	100
Ultimate Axess Pty Ltd	Australia	100
ETT Access Limited	New Zealand	100
Medmark International Pty Ltd	Australia	100

The controlled entities remain fairly inactive. The parent entity's loans to, and investments in, the controlled entities have been fully impaired up to 31 March 2009.

3.4 Management and Personnel

As disclosed in the Company's 2009 Annual Report, the Company's current directors and management are:

Glenn Tetley	Non- Executive Chairman
Larry Shutes	Non-Executive Director
Wayne Kernaghan	Non-Executive Director
Kevin Dart	Non-Executive Director

Aliceson Rourke	Company Secretary
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3.5 Capital Structure and Shareholders

At the date of this Report, ETT had the following securities on issue:

Shares:	Number
Balance per 31 March 2009 audited financial statements	1,332,378,743
Less: Cancellation of shares pursuant to the 2009 AGM	(4,000,000)
Add: Placement of shares as set out in the Notice of Meeting	197,256,811
Balance at the date of this Report	<u>1,525,635,554</u>

Options:	Number
Balance per 31 March 2009 audited financial statements	122,000,000
Add: Issued August 2009 in settlement of legal claim	2,000,000
Less: Lapsed 31 August 2009	(20,000,000)
Balance at the date of this Report	<u>104,000,000</u>

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The above options comprise the following:

Grant date	Expiry date	Exercise price	Number
31/8/07	31/8/10	3 cents	5,000,000
31/8/07	31/8/11	3.5 cents	23,000,000
21/12/07	21/12/10	2 cents	45,000,000
29/5/08	29/5/11	2 cents	3,000,000
22/10/08	21/10/11	2 cents	10,000,000
22/10/08	21/10/12	1 cents	16,000,000
10/7/09	31/3/11	2 cents	2,000,000
			104,000,000

As set out elsewhere in the Notice of Meeting, the Company is seeking shareholder approval for the issue of 197,256,811 options on terms set out in the Notice of Meeting.

Escrow provisions

No securities are held in escrow as at the date of this report.

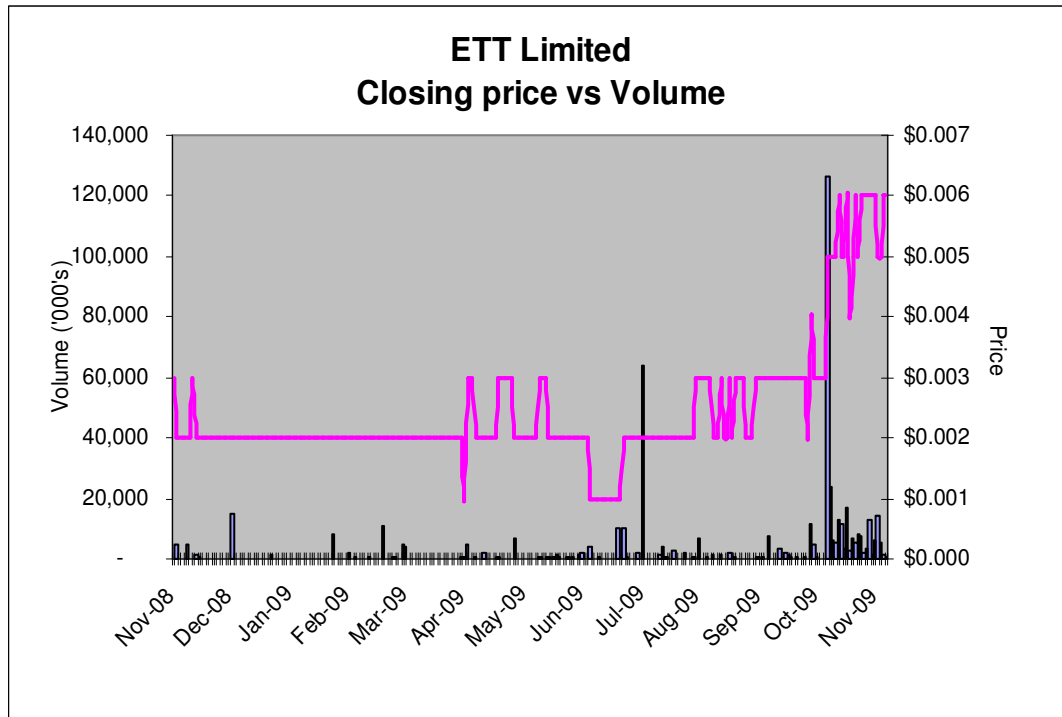
Top 20 shareholders

The top 20 shareholders at the date of this Report are set out below.

Shareholder	Number of Shares (millions)	% of total shares on issue
Charter Pacific Corporation Limited	262,937,416	19.79
EAN Investments Pty Ltd	157,413,991	11.86
Telecards Asia Pty Ltd	58,000,000	4.37
Siwel Capital Pty Ltd	39,067,881	2.94
Pacific Finance & Investments Pty Ltd	28,300,000	2.13
John Cook Super Fund Pty Ltd	27,552,691	2.08
Larry Colin Shutes	20,100,000	1.51
Victor John Plummer	20,000,000	1.51
Christopher James Carl	19,000,000	1.43
Topete Pty Ltd	18,380,000	1.38
Sarg Investments Pty Ltd	17,416,233	1.31
Stir Crazy Restaurants Pty Ltd	14,928,672	1.12
Elwood Pty Ltd	12,000,000	0.90
Reef Securities Pty Ltd	12,000,000	0.90
Apollan Pty Ltd	10,500,000	0.79
Classic Roofing Pty Ltd	10,000,000	0.75
Wayne Daryl King and Craig Allan King	10,000,000	0.75
Picton Cove Pty Ltd	10,000,000	0.75
Victor John Plummer	10,000,000	0.75
Tower Holdings Pty Ltd	10,000,000	0.75
TOTAL	767,596,884	57.78

3.6 Share Price Performance

ETT's share price movements in the 12 months to the date of this Report, together with volumes traded are presented in the graph below:



The following facts are worthy of note in relation to the above:

The ETT share price has been relatively steady in the period leading up to the Announcement Date, namely between \$0.002 to \$0.003.

- (a) On the Announcement Date, the share price rose to \$0.005 on trades of 126 million shares. The share price has been maintained at this level since that time and has increased to \$0.006 in the last few weeks.

3.7 Financial Performance

The audited consolidated financial results for the year ended 31 March 2008, year ended 31 March 2009 and the reviewed consolidated financial results for the six months ended 30 September 2009 are set out below:

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	Consolidated		
	Audited Year to 31 March 2008 \$'000s	Audited Year to 31 March 2009 \$'000s	Reviewed 6 Months to 30 Sept 2009 \$'000s
Revenue:			
Sales	919	437	159
IPStar settlement	500	-	-
Interest received	81	249	54
Other	82	5	11
Total revenue	1,582	691	224
Consulting and professional fees	(2,110)	(504)	(142)
Impairment of trade receivables	(723)	(131)	-
Depreciation and amortisation	(758)	(67)	(36)
Impairment of prepaid services	(4,050)	-	-
Employee benefit expense	(311)	(842)	-
Legal fees	(27)	(506)	(75)
Reversal of previously accrued expenses	-	-	505
Other	(897)	(1,261)	(312)
Profit/(loss) before income tax	(7,294)	(2,620)	164
Income tax benefit/(expense)	206	133	(17)
Profit/(loss) after income tax	(7,088)	(2,487)	147

Each of the above periods has been impacted by abnormal items, such as the IPStar settlement and impairment of prepaid legal fees in the year ended 31 March 2008, legal fees in the year ended 31 March 2009, and the reversal of previously accrued expenses in the 6 months to 30 September 2009.

3.8 Financial Position

The audited consolidated balance sheet as at 31 March 2009 and the reviewed consolidated balance sheet as at 30 September 2009 are set out below:

	Consolidated	
	Audited 31 March 2009 \$'000s	Reviewed 30 Sept 2009 \$'000s
Current Assets		
Cash assets	3,300	3,395
Receivables	594	77
Inventories	6	3
Other	199	247
Total Current Assets	4,099	3,722
Non Current Assets		
Property, plant and equipment	18	-
Intangible assets	5	-
Other – security deposits	58	58
Total Non Current Assets	81	58

	Consolidated	
	Audited 31 March 2009 \$'000s	Reviewed 30 Sept 2009 \$'000s
Total Assets	4,180	3,780
Current Liabilities		
Payables	889	339
Total Current Liabilities	889	339
Total Liabilities	889	339
Net Assets	3,291	3,441
Equity		
Issued capital	61,962	61,862
Reserves	480	483
Accumulated losses	(59,151)	(58,904)
Total Equity	3,291	3,441

3.9 Tax Losses

We are advised that the Board of ETT is currently seeking specialist taxation advice with regard to tax consolidation and the determination of tax losses available given the significant changes in business and ownership over the last few years. At the date of this Report, it is unknown as to the extent of tax losses available to the Company, therefore we have not ascribed a value to these tax losses.

4 PROFILE OF FARMWORKS

4.1 History of FarmWorks Entities

The FarmWorks group was established in Western Australia in 2001 as a specialist provider of rural merchandise to the farming sector.

As noted in Section 1.2 of this Report, the FarmWorks entities which are being acquired via the Proposed Acquisition are involved in the following main business activities:

- (a) Conquest Crop Protection Pty Ltd
Provides a full range of fertiliser, agricultural chemical and animal health products to the rural market.
- (b) FarmWorks Livestock Australia Pty Ltd
Livestock sales and marketing, primarily focused in the Western Australian market but starting to grow in the eastern states.
- (c) FarmWorks Financial Services Pty Ltd
Offers financial products to the market under a principal and agency agreement with several financial institutions.
- (d) FarmWorks Property (WA) Pty Ltd
Operates in Western Australia and specialises in all facets of rural property sales ranging from pastoral leases in the Kimberley and Pilbara, broad acre farms in the wheat belt and lifestyle properties around the Perth metropolitan area.

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4.2 Current Activities

FarmWorks currently employs over 60 staff with approximately 66% of its revenue stream coming from Western Australia, 23% from New South Wales and Queensland and a further 11% from South Australia. It has a direct customer base of over 2,500 growers through its branches and indirect access to a further 3,000 growers through its agency network.

The Explanatory Memorandum to the Notice of Meeting explains in detail an overview of the industry in which FarmWorks operates, together with details on market segmentation.

4.3 Legal Structure

The various entities in the FarmWorks group will, via the SPA, arrange their shareholdings such that FarmWorks Merchandise Services Pty Ltd will hold 100% of the shares in all of the other FarmWorks entities. The completion of the Proposed Acquisition will then see ETT acquiring 100% of the issued capital of FarmWorks Merchandise Services Pty Ltd. The resulting group structure will take the form of the chart in Section 1.2 of this Report.

4.4 Management and Personnel

The key employees in the FarmWorks group are as follows:

Name	Position
Kevin Gammage	Managing Director
Roy Morgan	General Manager – Conquest Crop Protection Pty Ltd
Ross Withers	Chief Financial Officer
Fred Lyon	General Manager, Merchandising
Craig Milverton	Manager, Finance
Harold Sealy	Manager, Livestock
Peter Foreman	Manager, Queensland
Paul Rechstein	Manager, South Australia
Mark Griffiths	Group Accountant

4.5 Capital Structure and Shareholders

As noted in Section 4.3 above, as part of the SPA, all entities in the FarmWorks group will be wholly owned by FarmWorks Merchandise Services Pty Ltd prior to the completion of the Proposed Acquisition. The shareholding of FarmWorks Merchandise Services Pty Ltd prior to the completion of the Proposed Acquisition will be as follows:

Name of shareholder	No. of fully paid ordinary shares	%
Geobell Pty Ltd atf The Caroline Trust	270	27
Deanem Pty Ltd atf The Deanem Trust	270	27
Peter James Foreman atf The PEJAFO Trust	30	3
Edmund James Lyon atf The Glendale Trust	110	11
Claire Madelin atf The Madelin Family Trust	50	5
Roy Norman Morgan atf The Morgan Family Trust	270	27
	<u>1,000</u>	<u>100</u>

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4.6 Proforma Consolidated Financial Performance and Position

Up to the date of this Report, the ownership structure of the entities comprising the FarmWorks “group” meant that a statutory consolidation of the financial performance and financial position of the “group” was not prepared. This was as a result of the majority of the entities being part of the FarmWorks Merchandise Services Pty Ltd group (ultimately owned by the vendors), Conquest Crop Protection Pty Ltd being separately owned by the vendors, Farmworks Property (WA) Pty Ltd being partially owned by the vendors and several smaller entities having other ownerships. The SPA has allowed for FarmWorks Merchandise Services Pty Ltd to be the owner of 100% of the shares in each of the other entities. This will facilitate the completion of the Proposed Acquisition.

Notwithstanding the above, in order to provide ETT shareholders with information regarding the financial performance and financial position of the FarmWorks “group”, FarmWorks management has prepared a proforma consolidated balance sheet combining each of the abovementioned entities as at 30 June 2009 as if they were part of a wholly-owned statutory group, together with a proforma consolidated income statement for the year ended 30 June 2009. In addition, FarmWorks management has prepared a similar proforma consolidated balance sheet as at 30 September 2009, together with a proforma consolidated income statement on the same basis. This proforma consolidated financial information has been prepared on the following basis:

- (a) The 30 June 2009 proforma consolidated financial information has been derived from the audited financial reports of the various entities, adjusted for the following:
 - Elimination of any transactions between any of the group entities.
 - Elimination of intercompany loan balances.
 - Removing profit in FarmWorks Merchandise Services Pty Ltd closing stock from inventory acquired from Conquest Crop Protection Pty Ltd.
 - Conversion of \$3,929,900 in vendor loans from liabilities to equity, in accordance with the SPA.
 - Acquisition of the remaining shares in non-wholly-owned entities.
- (b) The 30 September 2009 proforma consolidated financial information has been derived from the unaudited financial reports of the various entities, adjusted for the following:
 - Carrying forward adjustments made as at 30 June 2009 (per above).
 - Elimination of any transactions between any of the group entities.
 - Elimination of intercompany balances.
 - Removing profit in FarmWorks Merchandise Services Pty Ltd closing stock from inventory acquired from Conquest Crop Protection Pty Ltd.

The following is a summary of the proforma consolidated financial information as referred to above:

Proforma Financial Performance

	Consolidated Proforma	
	Year to 30 June 2009 \$'000s	3 months to 30 Sept 2009 \$'000s
Sales	92,082	23,212
Commission	205	319
Total revenue	92,287	23,531
Cost of sales	(83,260)	(21,109)
Gross profit	9,027	2,422
Employment costs	(5,427)	(1,422)
External consultancy	(281)	(75)
Depreciation & amortisation	(271)	(44)
Insurance	(522)	(131)
Property rental & outgoings	(644)	(187)
Motor vehicle expenses	(467)	(124)
Other	(1,188)	(176)
EBIT	227	263
Interest expense	(2,346)	(532)
Loss before tax	(2,119)	(269)
Income tax benefit	97	-
Loss after income tax	(2,022)	(269)

Proforma Financial Position

	Consolidated Proforma	
	30 June 2009 \$'000s	30 Sept 2009 \$'000s
Current Assets		
Cash	(316)	(26)
Trade receivables	22,399	16,179
Other receivables	247	430
Inventories	20,394	15,198
Prepayments	508	477
	43,232	32,258
Non-Current Assets		
Property, plant & equipment	2,205	2,137
Investments	258	251
Deferred tax assets	995	995
Other	53	55
	3,511	3,438
Total Assets	46,743	35,696
Current Liabilities		
Trade creditors	18,481	11,433
Other creditors and accruals	5,788	4,621
Lease liabilities	1,336	1,209
Other loans	450	472
Bank loans	16,969	14,565
Income tax liability	19	(35)
	43,043	32,265

	Consolidated Proforma	
	30 June 2009 \$'000s	30 Sept 2009 \$'000s
Non-Current Liabilities		
Deferred tax liability	529	529
	<u>529</u>	<u>529</u>
Total Liabilities	<u>43,572</u>	<u>32,794</u>
Net Assets	<u>3,171</u>	<u>2,902</u>
Equity		
Share capital	3,954	3,954
Accumulated losses	(783)	(1,052)
	<u>3,171</u>	<u>2,902</u>

5 VALUATION OF ETT

5.1 Valuation Summary

HLB has estimated the fair market value of an ETT share to be \$0.00316.

For the purpose of our opinion, fair market value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. We have not considered special value in this assessment.

In determining this amount, we estimated the fair market value of ETT after considering the various methods, which are discussed in further detail at Section 5 of this Report.

5.2 Valuation Methodology

Methodologies commonly used for valuing assets and businesses are as follows:

5.2.1 Capitalisation of future maintainable earnings ("FME")

This method places a value on a business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("EBIT") or earnings before interest, tax, depreciation and amortisation ("EBITDA"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

5.2.2 Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5.2.3 Net asset value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The *orderly realisation of assets method* estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The *liquidation method* is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The *net assets on a going concern method* estimates the market values of the net assets of an entity but does not take into account any realisation costs.

The *net assets on a going concern method* is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

5.2.4 Quoted Market Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

5.2.5 Methodology Adopted

We consider that the most appropriate method for the valuation of ETT is the net assets on a going concern method.

5.3 Valuation

We set out below the reviewed 30 September 2009 consolidated balance sheet of ETT and the “proforma market value” consolidated balance sheet of ETT at that date. The proforma market value consolidated balance sheet is based on the reviewed 30 September 2009 consolidated balance sheet adjusted for the following items:

- (a) As set out elsewhere in the Notice of Meeting, the Company is seeking shareholder approval to dispose of the PATLOC business for \$200,000. The Company announced on 14 December 2009 that its wholly-owned subsidiary, Ultimate Transactions Pty Ltd, had entered into a business sale agreement with Photo-Me Australia Limited for the sale of its prepaid internet cards and kiosk business, PATLOC for \$200,000. We have included this value in the determination of market values below.
- (b) As set out elsewhere in the Notice of Meeting, the Company is seeking shareholder ratification of the placement of 197,256,811 pre-consolidation shares to sophisticated investors and institutions at \$0.006 per share which has raised \$1,183,541. Shareholder approval is also being sought for the issue of 197,256,811 free attaching options on terms set out in the Notice of Meeting. We have incorporated this placement as a proforma adjustment below.

	Consolidated	
	Reviewed 30 Sept 2009 \$'000s	Proforma Market value 30 Sept 2009 \$'000s
Current Assets		
Cash assets	3,395	4,579
Receivables	77	77
Inventories	3	3
Other	247	247
Total Current Assets	3,722	4,906
Non Current Assets		
Intangible assets	-	200
Other – security deposits	58	58
Total Non Current Assets	58	258
Total Assets	3,780	5,164

Current Liabilities		
Payables	389	339
Total Current Liabilities	389	339
Total Liabilities	389	339
Net Assets	3,441	4,825
No. of shares on issue ('000)		1,525,636
Net asset backing per share		\$0.00316

In other words, the net asset backing per share based on the assessed proforma market value of assets and liabilities at 30 September 2009 is 0.316 of 1 cent.

5.4 *Cross-check with Quoted Market Price Basis*

In Section 3.6 of this Report, we have noted the following:

- The ETT share price had been relatively steady in the period leading up to the Announcement Date, namely between \$0.002 to \$0.003.
- On the Announcement Date, the share price rose to \$0.005 on trades of 126 million shares. The share price has been maintained at this level since that time and has increased to \$0.006 in the last few weeks.

The market price of ETT shares up to the Announcement Date appears to support the net asset backing per share noted above.

5.5 *Commentary on Premium for Control*

The share market can be expected to provide an objective assessment of the fair market value of a listed entity, where the market is well informed and liquid. Market prices incorporate the influence of all publicly known information relevant to the value of an entity's securities.

Share prices from share market trading do not reflect the market value for control of a company as they are for portfolio holdings. Traditionally, the premiums required to obtain control of companies range between 15% and 25% of the portfolio holding values.

As the vendors will hold 25% of the issued capital of ETT at the completion of the Proposed Acquisition, this does not constitute control, and therefore we do not consider that any adjustment is required to be made with regard to a premium for control.

5.6 *Conclusion on the Fair Market Value of an ETT Share*

The value derived from the net assets on a going concern method is considered to be the best estimate of the fair market value of a share in ETT, being \$0.00316 per share. We have considered ETT's recent trading performance and consider that the value range indicated by the analysis of recent share trading prior to the Announcement Date of between \$0.002 to \$0.003 per ETT share is not inconsistent with the preferred value derived under the net assets on a going concern method.

6. VALUATION OF FARMWORKS

We have addressed in Section 5.2 of this Report valuation methods commonly utilised in valuing businesses. Ordinarily, the FarmWorks business would be valued using the Capitalisation of Future Maintainable Earnings method ("FME"). This method is applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives. As noted in Section 4.6 of this Report, FarmWorks management has prepared a proforma consolidated income statement of the entities comprising the FarmWorks "group" for the year ended 30 June 2009 as if they were part of a wholly-owned statutory group for that year, together with a proforma consolidated income statement for the three months ended 30 September 2009.

These proforma statements show that the FarmWorks "group" incurred a loss after income tax for the year ended 30 June 2009 of \$2.02 million and a loss after income tax for the three months ended 30 September 2009 of \$269,000.

Specifically, the FarmWorks business is subject to the following risks and uncertainties:

- (a) The demand for chemicals and ultimately the forecast financial performance is largely dependent on the annual rainfall season. For example, droughts would have a significant negative impact on sales revenue and profit.
- (b) Cost of sales is heavily dependent on the raw input cost of chemicals. We are advised that the more important input chemicals such as Glyphosate have historically tracked the global crude oil price. Therefore, there is significant risk to the forecast performance as a result of fluctuations in input prices. Furthermore, as a result of the minimal working capital currently being experienced, supplier discounts will not be available.
- (c) The mix of products is also largely dependent on the season, given that an early or normal rainfall season historically meaning greater demand for Glyphosate, which is generally used post rainfall but prior to crop sowing, while a late rainfall season means that the demand shifts to late season products such as Tricon.
- (d) As mentioned above, due to minimal working capital currently being experienced, management is constantly monitoring working capital levels. It appears that the FarmWorks business requires an injection of capital in order to reduce borrowings and therefore reduce financing costs.
- (e) A significant amount of purchases are incurred in \$US. As at 30 September 2009, FarmWorks had approximately \$US 7.5 million in outstanding US denominated creditors. Other than approximately \$1.3 million in outstanding foreign exchange contracts as at 30 September 2009, the remaining US dollar exposure is unhedged. In recent times, FarmWorks has benefited from the appreciation of the Australian dollar as against the US dollar. However, there is a risk of exposure to future unfavourable movements in exchange rates.

For the above reasons, we have not had regard to the FarmWorks forecasts prepared by management in assessing the value of the FarmWorks business. Clearly, as performance improves and as the working capital position improves, the value of the business would increase. However, for the purposes of our assessment of the value of the FarmWorks

business in relation to our assessment of the Proposed Acquisition, we have adopted a conservative approach and used the *net assets on a going concern method* to value the business.

6.1 Valuation

	Consolidated Proforma 30 Sept 2009 \$'000s	Market value 30 Sept 2009 \$'000s
Current Assets		
Cash	(26)	(26)
Trade receivables	16,179	16,179
Other receivables	430	430
Inventories	15,198	15,198
Prepayments	477	477
	32,258	32,258
Non-Current Assets		
Property, plant & equipment	2,137	2,137
Investments	251	251
Deferred tax assets	995	995
Other	55	55
	3,438	3,438
Total Assets	35,696	35,696
Current Liabilities		
Trade creditors	11,433	11,433
Other creditors and accruals	4,621	4,621
Lease liabilities	1,209	1,209
Other loans	472	472
Bank loans	14,565	14,565
Income tax liability	(35)	(35)
	32,265	32,265
Non-Current Liabilities		
Deferred tax liability	529	529
	529	529
Total Liabilities	32,794	32,794
Net Assets	2,902	2,902
Equity		
Share capital	3,954	3,954
Accumulated losses	(1,052)	(1,052)
	2,902	2,902

6.2 Conclusion on the fair market value of FarmWorks

In our opinion, the fair market value of the entities comprising the FarmWorks group is \$2,902,000.

We are advised that Conquest Crop Protection Pty Ltd has registered over 70 of its agricultural chemicals with the Australian Pesticide and Veterinary Medicines

Authority ("APVMA"), and that these registrations are able to be sold to third parties. However, as there is no active market in which these registrations are traded, we do not believe that it is prudent to ascribe a value to these registrations for the purposes of this Report.

7. EVALUATION AND CONCLUSION

7.1 Valuation of Consideration

The Proposed Acquisition is on the basis of the following consideration:

- (a) The issue to the vendors of a number of shares in ETT such that at the completion of the transaction, those vendors will hold in total, 25% of the issued capital of ETT. At the date of this Report, and in accordance with the disclosure in the Notice of Meeting, the number of shares to be issued is 508,545,185, prior to the consolidation of shares noted in Section 1.1 of this Report. These shares will be escrowed for a period of 12 months from the date of issue.
- (b) The issue to the vendors of a number of options in ETT on the same terms and conditions as options already in existence such that at the completion of the transaction, those vendors will hold in total, 25% of the total ETT options on issue. At the date of this Report, and in accordance with the disclosure in the Notice of Meeting, the number of options to be issued is 100,418,936, prior to the consolidation of options noted in Section 1.1 of this Report.
- (c) The issue of 2.5% of the issued capital in ETT in options to the vendors if the FarmWorks Earnings before Interest and Tax ("EBIT") reaches \$5,000,000 in the 12 months after acquisition.
- (d) The issue of 2.5% of the issued capital in ETT in options to the vendors if the FarmWorks EBIT reaches \$10,000,000 in the 24 months after acquisition.
- (e) The payment of a maximum of \$800,000 in cash to the vendors payable in monthly instalments for a period of 24 months after acquisition.

We have valued each of the components of the consideration as follows:

7.1.1 Issue of shares in ETT

As noted above, a total of 508,545,185 shares in ETT will be issued to the vendors (prior to the consolidation of shares noted above). We have valued these shares at \$0.00316 in accordance with the assessment in Section 5.6 of this Report. The total value of this portion of the consideration is \$1,607,003.

7.1.2 Issue of options in ETT

As noted above, a total of 100,418,936 options will be issued to the vendors on the same terms and conditions as options already in existence (prior to the consolidation of options noted above). The Company currently has seven different terms and conditions for options on issue. In order for the 100,418,936 options to be issued to the vendors on the same terms and conditions as options already in existence, we have calculated that the following options will be required to be issued to the vendors:

Grant date	Expiry date	Exercise price	Number	Number of options to vendors (prorata)
31/8/07	31/8/10	3 cents	5,000,000	1,666,667
31/8/07	31/8/11	3.5 cents	23,000,000	7,666,666
21/12/07	21/12/10	2 cents	45,000,000	15,000,000
29/5/08	29/5/11	2 cents	3,000,000	1,000,000
22/10/08	21/10/11	2 cents	10,000,000	3,333,333
22/10/08	21/10/12	1 cents	16,000,000	5,333,333
10/7/09	31/3/11	2 cents	2,000,000	666,667
Issue per Notice of Meeting		1 cent	197,256,811	65,752,270
			<u>301,256,811</u>	<u>100,418,936</u>

In order to place a value on each of these options to be issued to the vendors, we have applied a Black & Scholes option pricing model to each of the series of options above.

The following inputs were used in valuing these options:

- Exercise price As noted above
- Grant date 30 November 2009
- Expiry date As noted above
- Underlying share price \$0.006 (current share price)
- Expected share price volatility 40% (same as valuation of March 2009 options)
- Risk free interest rate 4.99%

Due to the exercise prices being significantly higher than the current share price, the Black & Scholes valuation model has attributed such a low value to each of the option series above, that we have not attributed any value to these options in the context of valuing this portion of the consideration.

7.1.3 Issue of milestone options in ETT

Two further tranches of options may be issued to the vendors as noted above, subject to the achievement of EBIT milestones at two separate dates – 12 months after acquisition and 24 months after acquisition. For the same reasons as noted in Section 7.1.2 above and factoring in a degree of uncertainty as to whether the EBIT milestones will be achieved, we do not consider it appropriate to attribute any value to these milestone options.

7.1.4 Cash Payment

This cash payment takes the form of interest on loans payable by the vendors to third parties. The SPA allows for ETT to pay to each of the vendors monthly payments of the interest payable on those loans based on the actual interest rate applying to the loans for a period of 24 months. The maximum amount payable to the vendors is \$400,000 per annum. The aggregate of these vendor loans is \$4,000,000, therefore this equates to a flat interest rate of 10% per annum. To the extent that interest on the loans is lower than \$400,000 per annum, the lower amount is payable.

For the purposes of valuing this portion of the consideration, we have considered the following factors:

- (a) The payments may be lower than \$400,000 per annum, as the actual amounts payable are based on actual interest incurred by the vendors on their respective loans.
- (b) In assessing the value of this payment for the purposes of valuing this portion of the consideration, we would ordinarily discount the total maximum payments to present values.

We have applied a discount rate of 12% to the maximum monthly payments for the 24 month period and have determined that the present value of the maximum payments is \$708,000.

7.2 Summary of valuation of consideration

The above valuations of each component of the consideration is summarised below:

Consideration	Value \$
Issue of shares in ETT	1,607,003
Issue of options in ETT	-
Issue of milestone options in ETT	-
Cash payment	708,000
	2,315,003

7.3 Fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities being the subject of the offer. Set out in the table below is a comparison of our assessment of the fair market value of a ETT share with the value of FarmWorks under the Proposed Acquisition.

	\$
Estimated fair market value of ETT consideration (Section 7.2)	2,315,003
Estimated fair market value of FarmWorks (Section 6.2)	2,902,000

Accordingly, it is our opinion that the Proposed Acquisition is fair.

7.4 Reasonableness

In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. On this basis, in our opinion, the Proposed Acquisition is reasonable. We have also identified the following factors in relation to the reasonableness of the Proposed Acquisition.

7.4.1 Advantages of accepting the Proposed Acquisition

- The Proposed Acquisition will provide an opportunity for the Company to generate strong future revenue streams and profits from the FarmWorks growth strategy. With additional access to shareholder capital via listed company ownership, the current FarmWorks working capital issues and levels of debt funding could be alleviated, thus reducing the cost of finance and increasing profitability.
- ETT major asset is currently cash. This is generating normal bank interest returns. The acquisition of FarmWorks will provide the Company with a business to focus on and will allow the Board to apply good corporate governance and skills in creating a successful and profitable business providing a wide range of services to the agricultural industry.

7.4.2 Disadvantages of accepting the Proposed Acquisition

- The FarmWorks business is subject to certain risks, some of which have been noted in Section 6 of this Report. Some of these risks are risks that ETT shareholders have not faced before.
- The current ETT cash balance will most likely be utilised in assisting the FarmWorks business with immediate cash flow needs. In addition, FarmWorks may require further injection of capital within the next 12 months in order for it to take advantage of supplier discounts and foreign currency hedging strategies. If this need arises, capital markets may be in a state which may not be conducive to a successful capital raising.

7.4.3 Other Considerations

- An individual shareholder's decision in relation to the Proposed Acquisition may be influenced by his or her particular circumstances. We have considered the Proposed Acquisition for ETT Shareholders as a whole. We have not considered the effect of the Proposed Acquisition on the particular circumstances of individual shareholders nor have we considered their individual objectives, financial situation or needs. Due to their particular circumstances, individual shareholders may place different emphasis on various aspects of the Proposed Acquisition from the one adopted in this Report. Accordingly, individuals may reach different conclusions as to whether the Proposed Acquisition is fair and reasonable.

In conclusion, as the Proposed Acquisition is fair, it is also reasonable.

7.5 Conclusion

We are of the opinion that the Proposed Acquisition is fair and reasonable.

8. APPENDICES

Appendix 1 - Glossary of Terms

TERM	DEFINITION
Announcement Date	Date the Proposed Acquisition was announced to ASX being 22 October 2009
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
DCF	Discounted cash flows
Directors	Directors of ETT
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
FME	Capitalisation of future maintainable earnings
HLB	HLB Mann Judd Corporate (WA) Pty Ltd
NTA	Net tangible assets
Shareholders	Existing shareholders in ETT
Proposed Acquisition	The acquisition by ETT of a 100% interest in the FarmWorks group
ETT or the Company	ETT Limited
SPA	The Share Purchase Agreement between ETT, the vendors and FarmWorks Merchandise Services Pty Ltd
Vendors	The current owners of FarmWorks listed in Section 4.5 of this Report
FarmWorks group	The entities listed in Section 1.2 of this Report
Notice of Meeting	The Notice of Extraordinary General Meeting and Explanatory Memorandum for the meeting to be held on or about 5 February 2010

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Appendix 2 - Sources of Information

In preparing this report we have had access to the following principal sources of information:

- ETT's Annual report for the year ended 31 March 2009;
- ETT's Half year financial report for the half year ended 30 September 2009;
- Annual report of FarmWorks Merchandise Services Pty Ltd for the year ended 30 June 2009;
- Annual report of Conquest Crop Protection Pty Ltd for the year ended 30 June 2009;
- Discussions with directors, management and consultants of ETT;
- Publicly available information;
- ASX Announcements and media releases concerning the Proposed Acquisition;
- Workpapers and calculations setting out proforma consolidated financial information of the FarmWorks group of companies for the year ended 30 June 2009 and for the three months ended 30 September 2009;
- Due diligence reports on FarmWorks supplied by ETT management; and
- FarmWorks forecasts supplied by ETT management.

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Appendix 3 - Qualifications, Declarations and Consents

HLB, which is a wholly owned entity of HLB Mann Judd Chartered Accountants, is a Licensed Investment Adviser and holder of an Australian Financial Services Licence under the Act and its authorised representatives are qualified to provide this Report. The authorised representatives of HLB responsible for this Report have not provided financial advice to ETT.

Prior to accepting this engagement, HLB considered its independence with respect to ETT with reference to ASIC Regulatory Guide 112. In HLB's opinion, it is independent of ETT and each of the entities comprising the FarmWorks group.

This Report has been prepared specifically for the shareholders of ETT. It is not intended that this Report be used for any other purpose other than to accompany the Notice of Meeting to be sent to the ETT shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of the opinion as to whether or not the Proposed Acquisition is fair and reasonable to the shareholders of ETT. HLB disclaims any assumption of responsibility for any reliance on this Report to any person other than those for whom it was intended, or for any purpose other than that for which it was prepared.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report, HLB has relied on and considered information believed, after due inquiry, to be reliable and accurate. HLB has no reason to believe that any information supplied to it was false or that any material information has been withheld.

HLB has evaluated the information provided to it by ETT and other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not provide a reasonable basis for this Report. HLB has not, nor does it imply that it has, audited or in any way verified any of the information provided to it.

In accordance with the Act, HLB provides the following information and disclosures:

- HLB will be paid its usual professional fees (estimated to be in the range of \$20,000 to \$25,000 plus GST) based on time involvement at normal professional rates, for the preparation of this Report.
- Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- HLB, nor any of its directors or associates, have any interest in ETT or any of the entities comprising the FarmWorks group.
- Neither HLB nor HLB Mann Judd has had any relationship with ETT or any associate of ETT or any entities comprising the FarmWorks group.

Annexure B

Pro forma balance sheet

Pro forma balance sheet of consolidated entity post completion of Proposed Acquisition based upon the Half Year accounts for the Company as at 30 September 2009 as lodged at ASX and the management accounts for FarmWorks as at 30 September 2009

	30 September 2009
	\$000's
Current Assets	
Cash Assets*	4,553
Accounts Receivable	16,686
Inventory	15,201
Other**	724
Total	37,164
Non Current Assets	
PP&E (WDV)	2,137
Investments	251
Other	1,308
Total	3,696
Total Assets	40,860
Current Liabilities	
Trade Creditors	11,772
Other Creditors & Accruals	4,621
Lease Liabilities	1,209
Other Loans	472
Bank Loans	14,565
Other	(35)
Total	32,604
Non Current Liabilities	
Other	529
Total***	529
Total Liabilities	33,133
Net Assets	7,727

* Includes capital raising of \$1,183,541 via the issue of 197,256,811 pre-Consolidation shares at \$0.006 per Share.

** Includes the value of the PATLOC business at \$200,000.

*** Includes \$3,930,000 of shareholder loans in FarmWorks converted to equity.

Whilst care has been taken in the preparation of the above statements, they have not been reviewed by the Company's auditors and may not be consistent with the relevant financial reporting requirements.

Annexure C

Summary of consolidated financial information – FarmWorks (consolidated)

Historical profit and loss statements – FarmWorks consolidated

	2007 consolidated	2008 consolidated	2009 consolidated
	\$'000	\$'000	\$'000
Sales	63,038	91,082	92,287
Less			
Cost of Goods	(51,978)	(79,156)	(81,488)
Gross profit	11,060	11,926	10,799
Less			
Operating Expenses	(8,311)	(9,189)	(8,796)
Interest	(1,664)	(2,306)	(2,346)
Forex Provision	(1,974)	1,711	267
Depreciation	(1,144)	(543)	(271)
Total Expenses	(13,093)	(10,327)	(11,146)
NPBT	(2,033)	1,599	(347)
Add back abnormal items	225	-	-
Operating Profit/(Loss) before Tax	(1,808)	1,599	(347)
Interest	1,664	2,306	2,346
EBIT	(144)	3,905	1,999

The EBIT reported in the audited account of FarmWorks consolidated for 2009 was \$1,999,000. The EBIT reported in the Independent Experts Report for the same period (as is set out in Annexure A of this document) is \$227,000 which reflects a \$1,772,000 write down in order to remove unrealised profit on the sales by Conquest to FarmWorks in relation to stock on hand as at 30 June 2009.

The following table shows adjustments to be taken into account to reflect a normalised EBIT position and should be read in conjunction with the attached narrative.

NORMALISED FINANCIAL DATA			
	2007 consolidated	2008 consolidated	2009 consolidated
	\$'000	\$'000	\$'000
EBIT AS ABOVE	(144)	3,905	1,999
Add Back Goodwill Impairment	715		
Reversal Forex provisioning	1,974	(1,974)	
Unrealised Profit In Stock	(1,831)	(472)	531
NORMALISED EBIT	714	1,459	2,530

Note

1. The 2007 EBIT included the write off of goodwill previously paid for acquisitions of \$715,000. This has been added back as it is considered a non-recurring item.
2. The 2007 EBIT also included unrealised profits on stock sourced from Conquest Crop Protection Pty Ltd of \$1,831,000 for products sold to FarmWorks Australia Pty Ltd that was on hand as at 30 June 2007.
3. The 2007 audited results included a provision for foreign exchange losses of \$1,974,000 being a notional adjustment resulting from the company adopting International Financial Reporting standards (IFRS).
4. The 2008 reversal of the forex gain relates the reversal of the prior period forex provision of \$1,974,000 as per point 3 above.
5. The 2008 EBIT also included unrealised profits on stock sourced from Conquest Crop Protection Pty Ltd of \$472,000 for products sold to FarmWorks Australia Pty Ltd that was on hand as at 30 June 2008.
6. The 2009 EBIT adjustment of \$531,000 reflects the reduction in the value of stock on hand sourced from Conquest Crop Protection Pty Ltd as at 30 June 2009.

Whilst care has been taken in the preparation of the above statements, they have not been reviewed by the Company's auditors and may not be consistent with the relevant financial reporting requirements.

Historical Balance Sheet – FarmWorks (consolidated)

	2007 total	2008 total	2009 total
	\$'000	\$'000	\$'000
Current Assets			
Accounts Receivable	16,219	21,184	22,399
Inventory	19,272	19,500	20,394
Prepayments	514	177	508
Other	770	(155)	247
Total	36,775	40,706	43,548
Non Current Assets			
PP&E (WDV)	1,767	1,986	2,205
Intangibles	94	29	-
Other	1,009	714	1,306
Total	2,870	2,729	3,511
Total Assets	39,645	43,435	47,059
Current Liabilities			
Trade Creditors	14,831	16,031	18,481
Revolving Debt	14,785	15,598	17,285
Lease Liabilities	796	-	1,336
Provisions	403	(18)	19
Other Creditors & Accruals	4,370	5,482	5,788
Total	35,185	37,093	42,909
Non Current Liabilities			
Term Debt	-	589	
Shareholder Loans*	4,230	5,045	4,380
Other	84	(589)	529
Total	4,314	5,045	4,909
Total Liabilities	39,499	42,138	47,818
Net Assets	146	1,297	(759)

* Shareholder loans of \$3,930,000 will be converted to equity resulting in Net Assets of \$3,171,000 as set out on page 21 of the Independent Expert Report – Annexure A of this document.

Whilst care has been taken in the preparation of the above statements, they have not been reviewed by the Company's auditors and may not be consistent with the relevant financial reporting requirements.

Annexure D

Share consolidation – worked examples

The following table sets out the required share consolidation ratio to consolidate each respective starting value to \$0.20 per share.

Share price (\$)	Ratio	Resulting number of shares
0.003	66.667:1	30,512,715
0.004	50:1	40,683,620
0.005	40:1	50,854,526
0.006	33.334:1	61,025,431
0.007	28.572:1	71,196,336
0.008	25:1	81,367,241
0.009	22.223:1	91,538,146
0.010	20:1	101,709,051

Note: The above ratios are displayed rounded up to three decimal places.
The above resulting numbers of shares are rounded down to the nearest whole number and are calculated using unrounded ratios.