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Proposed Merger with m.Net Corporation Limited 7 September 2009 | Brisbane

Mercury Mobility Limited (Mercury) is pleased to announce that the company signed an agreement to merge with m.Net Corporation Limited (m.Net) today. The combined group will be well positioned in the fast growing mobile marketing and content space.

The synergies between the complementary businesses will produce a new generation of mobile expertise and capabilities, targeting global mobile carriers, media companies and content and brand owners.

The combined group will boast a robust shareholder base of Yahoo!7, through its wholly-owned subsidiary Yahoo Digital Media (Content), Alcatel-Lucent Australia, Telstra Corporation and CVC Limited. The impressive stable of major shareholders will provide the combined group with an increased international presence and pathways to deliver innovative marketing technologies and content.

The merger will see Mr Horden Wiltshire, currently the CEO of m.Net Corporation, become the CEO of the combined company and Mercury Mobility's Founder and Managing Director, Mr Ben Grootemaat, become an Executive Director, working closely with Mr Wiltshire to drive existing and new opportunities.

"The mobile market is growing very quickly and the merger positions us to take advantage of the rapidly emerging opportunities in the industry. Combined we have an enviable client list and our two workforces now become part of a larger, stronger organisation", said Mr Wiltshire.

Mr Grootemaat added that the combined businesses will capture a clear leadership position in the Australasian digital media market by leveraging competitive competencies between the mobile entertainment market and the mobile advertising market, which will provide a rich and exciting offering of end-to-end mobile solutions.

"The combination of Mercury's existing business in Canada combined with m.Net's work with Yahoo! in North America will provide us with a strong foothold to further expand in the North American marketplace," said Mr Grootemaat.

Industry heavy weights Yahoo!7 and Alcatel-Lucent Australia have been long term supporters of m.Net and will remain significant shareholders in the newly combined company.

"Audience demand continues to grow for mobile content and services and in line with this advertisers are looking for innovative mobile advertising and marketing solutions. Our relationship with m.Net has assisted Yahoo!7 in being on the forefront of this new content and advertising medium and the merger allows m.Net to cement its position as a clear market leader," said Rohan Lund, CEO, Yahoo!7.

"The mobile content and digital media market is becoming increasingly exciting as the speed, quality of service and intelligence of carriers' next generation networks is harnessed by innovative application developers, enabling the creation of rich media content and sophisticated services. This is very aligned to our organisation's applications enablement strategy, and it is great to see the merger of m.Net and Mercury demonstrating a commitment to driving enablement and helping their customers to dramatically change the way people use their mobile devices," said Andrew Butterworth Managing Director, Alcatel-Lucent Australia.

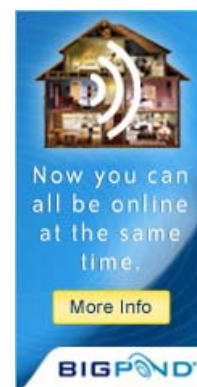
Key terms of the acquisition

The agreement was signed by the three major shareholders of m.Net (Yahoo!7, Alcatel-Lucent and Telstra), and is conditional upon m.Net's minority shareholders also agreeing to sell their m.Net shares to Mercury at completion.

The merger will be effected through Mercury's acquisition of all of the shares in m.Net. As consideration for the acquisition, Mercury expects to issue the m.Net shareholders with a total of approximately 105,000,000 fully paid ordinary shares. At completion, m.Net is expected to have net current assets of at least \$700,000 and no financial debt.

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The agreement is conditional upon Mercury's shareholders approving the acquisition and the issue of shares at a general meeting to be held in October 2009. Completion is due to occur within 7 days after shareholder approval.

Following completion of the acquisition, Mercury's current shareholders and m.Net's current shareholders are expected each to hold approximately 50% of Mercury's issued capital.

Strategic advantages of the acquisition

Merging the Mercury and m.Net businesses is strategically advantageous as:

1. The combined businesses will capture a clear leadership position in the Australian digital media market by leveraging competitive competencies between the mobile entertainment market (Mercury's niche) and the mobile advertising market (m.Net's niche).
2. The combined Mercury and m.Net balance sheets will reflect a significantly higher working capital position
3. Improved operating efficiencies and economies of scale including:
 - Broader and wider offering of end-to-end mobile solutions.
 - Improved core capabilities to offer and provide innovative marketing solutions currently unfulfilled in the market.
 - More compelling value configuration which will increase new business opportunities with the sale of more products and services, and cross selling opportunities.
 - Ability to leverage the broader customer and investor base for new domestic and international growth platforms.
 - Creation of integration, execution and innovation synergies.
 - Financial and operational improvement across revenue, gross margin operating costs and business units.

As a result, the acquisition is expected to have a materially positive impact on earnings in the current financial year.

About m.Net

m.Net is well known as Australia's leading full service mobile marketing solutions company. The company designs, builds and manages mobile destinations, provides content aggregation services, and delivers end-to-end mobile marketing campaigns necessary to drive traffic to customer's mobile sites.

In 2008 m.Net was ranked by Business Review Weekly as the 5th fastest growing company in Australia and the fastest growing technology company. In the past five years m.Net has grown revenues from \$525,000 to in excess of \$7,800,000. More recently, m.Net was named the prestigious B&T Digital Services Company of the Year in recognition of the company's leadership position within the Australian digital services market.

A large part of m.Net's success is due to the active and long term support of their three major shareholders, Yahoo Digital Media (Content) Pty Ltd [wholly owned subsidiary of Yahoo 7!], Alcatel-Lucent Australia Limited and Telstra Corporation Limited.

Under the proposed terms of the agreement the three major shareholders will continue to be investors in the new entity and have agreed not to sell their shares on market for a six month voluntary escrow period from completion.

About Yahoo Digital Media (Content) Pty Ltd

Yahoo!7 is one of the most comprehensive and engaging online destinations for Australian consumers and advertisers. Formed as a 50-50 partnership between the Seven Network Limited (ASX: SEV) and Yahoo! Inc. (Nasdaq: YHOO), Yahoo!7 brings together the successful Australian internet business, Yahoo! Australia & NZ, and the online assets and television and magazine content of the Seven Network, one of Australia's leading media companies. The company also combines the strengths of Yahoo! search and communications capabilities and its global internet network, with Seven's rich media and entertainment content and marketing capabilities. Yahoo Digital Media (Content) Pty Ltd is a wholly owned subsidiary of Yahoo!7 Pty Ltd.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions that deliver voice, data and video communication services to endusers. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more

than 130 countries and the most experienced global services organisation in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro €16.98 billion in 2008 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>.

About Mercury Mobility Limited

Mercury Mobility Limited (ASX: MMY) is one of the leading providers of mobile personalisation, entertainment and technology in the world. With operations in Brisbane, Canada and New Zealand, Mercury uses its own technology to manage content on a large scale and optimise carrier content sales via our MRP (Media Retail Platform).

Mercury produces high margin content and manages content for all major record labels, independent record labels and some of the world's largest entertainment brands. The company uses its expertise and relationships to market major brands in the mobile space and operates as a digital media label marketing hundreds of independent content providers across multiple distribution channels. With a track record for innovation Mercury's Product Development Division and Research & Development Division continue to deliver market leading products, technologies and services.

For further enquiries please contact:.

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