

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available.
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Praemium Limited

ABN

74 098 405 826

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

A. Ordinary shares
B. Ordinary shares
C. Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

A. 17,857,152 Ordinary Shares
B. 260,000 Ordinary Shares
C. 250,000 Performance Rights

+ See chapter 19 for defined terms.

Appendix: Securities that are on issue which are not quoted

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|--|---|
| <p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>Securities issued pursuant to private placement of the Company's shares and pursuant to the Praemium Directors & Employee Benefits Plan comprising:</p> <p>A. Fully paid ordinary shares, issued to professional and sophisticated investors pursuant to a private placement.</p> <p>B. Fully paid ordinary shares issued to Cathryn Nolan, Executive Director, pursuant to a resolution approved at the Company's AGM held on 30 November 2010;</p> <p>C. Performance Rights, each entitling the holder to one fully paid ordinary share on conversion issued to Ms Nolan pursuant to a resolution approved at the Company's AGM. Conversion is subject to the satisfaction of KPIs and subject to continued employment. Conversion dates are 30 October 2011 (as to 50%) and 30 October 2012 (as to 50%)</p> |
| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>A. Yes. The new ordinary shares will rank equally with the existing ordinary shares on issue traded under ticker code PPS.</p> <p>B. Yes (as above)</p> <p>C. Ordinary shares issued on conversion of Performance Rights (if any) will rank equally in all respects from the date of conversion.</p> |

+ See chapter 19 for defined terms.

5	Issue price or consideration	A. As to 15,634,929 Shares, AUD14cents As to 2,222,223 Shares, GBP£0.09 B. As to 260,000 Shares - Nil. Shares were issued under the Praemium Directors and Employees Benefits Plan in accordance with a resolution of members passed at the Company's AGM; C. Nil. The number of Performance Rights (if any) that will convert to fully paid ordinary shares on conversion date depends on the extent to which the directors are satisfied that individual and company KPIs set for each recipient are met in the relevant salary year.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	A. To fund working Capital; B. To reward and incentivise employees in accordance with the Praemium Directors & Employees Benefits Plan. C. To reward and incentivise employees in accordance with the Praemium Directors & Employees Benefits Plan.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 - 22 December 2010

+ See chapter 19 for defined terms.

Appendix: Securities that are on issue which are not quoted

	Number	+Class
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	228,570,666 210,453,514 - existing fully paid ordinary shares, plus 15,634,929 new fully paid ordinary shares issued pursuant to a private placement at AUD0.14cents, 2,222,223 issued pursuant to a private placement at GBP£0.09 and 260,000 issued under the Praemium Employee & Directors Benefits Plan (as set out in clause 2)

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	4,723,953 2,223,953 existing vested and not vested options having various exercise prices as set out in Attachment A, plus 2,350,000 existing (after adjustments for expiration and cancellation) and 250,000 new performance rights, as set out in Attachment A

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in dividend policy
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+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	

+ See chapter 19 for defined terms.

Appendix: Securities that are on issue which are not quoted

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities

+ See chapter 19 for defined terms.

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

Appendix: Securities that are on issue which are not quoted

- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

- 42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company secretary)

Date: 14 December 2010

Print name:

Cathryn Nolan

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+ See chapter 19 for defined terms.

Appendix: Securities that are on issue which are not quoted

ESP Code	Discription	Issue Date	Expiry/vesting Date	Issue Price	No on register 8/11/10 (date of last 3B)	Expired / Cancelled / Lapsed / failure to vest	Vested/ Exercised	Allocations	No on Register on 20/12/10 (Date of this 3B)
ESOSAUS	Options – exercisable for \$0.30c expiring 30 December 2010	31/12/2008	31/12/2010	\$0.300	716,667				716,667
ESOSAUS	Options – exercisable for \$0.35c expiring 30 December 2011	31/12/2008	31/12/2011	\$0.350	62,286				62,286
ESOSAUS	Options – exercisable for \$0.155 expiring 30 September 2011	15/03/2010	30/09/2011	\$0.155	870,000				870,000
ESOSUK	Options – exercisable for \$0.165 expiring 30 September 2011	31/12/2009	30/09/2011	\$0.165	440,000				440,000
PPSUOPT	Options – exercisable for \$1.67 expiring 07 August 2011	13/03/2008	7/08/2011	\$1.670	135,000				135,000
					2,223,953	-		0	2,223,953
	Performance Rights - nil exercise price Tranch 2 - expire/vest 30/10/11	30/10/2010	30/10/2011	nil	975,000				975,000
	Performance Rights - nil exercise price Tranch 3 - expire/vest 30/10/12	30/10/2010	30/10/2011	nil	975,000				975,000
	Performance Rights - nil exercise price Tranch 5 - expire/vest 30/10/11	29/10/2010	30/10/2011	nil	50,000				50,000
	Performance Rights - nil exercise price Tranch 6 - expire/vest 30/10/11	1/06/2010	30/10/2011	nil	50,000				50,000
	Performance Rights - nil exercise price Tranch 7 - expire/vest 30/10/11	29/10/2010	30/10/2011	nil	175,000	75,000			100,000
	Performance Rights - nil exercise price Tranch 8 - expire/vest 30/10/12	29/10/2010	30/10/2012	nil	175,000	75,000			100,000
	Performance Rights - nil exercise price Tranch 7 - expire/vest 30/10/11	20/12/2010	30/10/2011	nil				125,000	125,000
	Performance Rights - nil exercise price Tranch 8 - expire/vest 30/10/12	20/12/2010	30/10/2012	nil				125,000	125,000
					2,400,000	150,000		250000	2,500,000
	Number of securities on issue that are not quoted				4,623,953				4,723,953

+ See chapter 19 for defined terms.



Section 708A(5)(e) Notice

20 December 2010

Praemium Limited (the "**Company**") refers to its announcement on 14 December 2010 regarding the successful completion of a private placement of 17,857,152 ordinary fully paid shares at an issue price of \$0.14 (the "**Relevant Securities**") to raise \$2.5 million.

Praemium hereby provides the following information in respect to the 15,357,152 Placement Shares allotted today¹, in accordance with section 708A(6) of the *Corporations Act 2001* (the "**Act**") that:

1. This notice is given under section 708A(5)(e) of the Act;
2. The Relevant Securities were issued 16 December 2010 (being a date that is not more than 5 days prior to the date of this notice).
3. The Relevant Securities were issued without disclosure to investors under part 6D.2 of the Act.
4. As at the date of this notice, the Company has complied with:
 - 4.1. The provisions of Chapter 2M of the Act as they apply to the Company; and
 - 4.2. Section 674 of the Act.
5. Other than the information set out in paragraph 6 of this notice, as at the date of this notice, there is no information:
 - 5.1. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules (Excluded Information); and
 - 5.2. that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Praemium; or
 - (b) the rights and liabilities attaching to the new Shares.
6. The Company discloses the following Excluded Information:
 - 6.1. The Company is continuing to seek opportunities to negotiate to enter into agreements which would have a considerable 'up front' commercial payment. This may include, for the first time, an agreement to sell software (rather than services).

¹ The remaining 2,500,000 are expected to be issued on or before 22/12/10.

- 6.2. The Company's board continues to consider ways in which it may strengthen its balance sheet including by way of further capital raising or by debt transaction.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Cathryn Nolan". The signature is written in a cursive, flowing style.

Cathryn Nolan
COMPANY SECRETARY