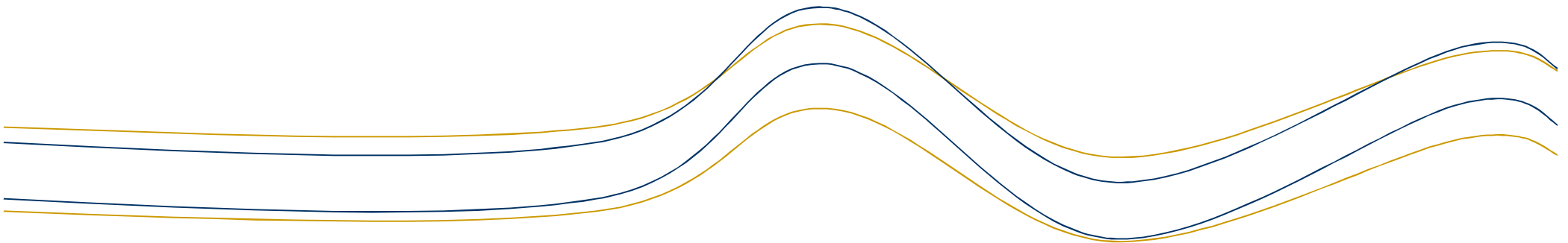




Investment Opportunity in Emerchants Ltd May 2011



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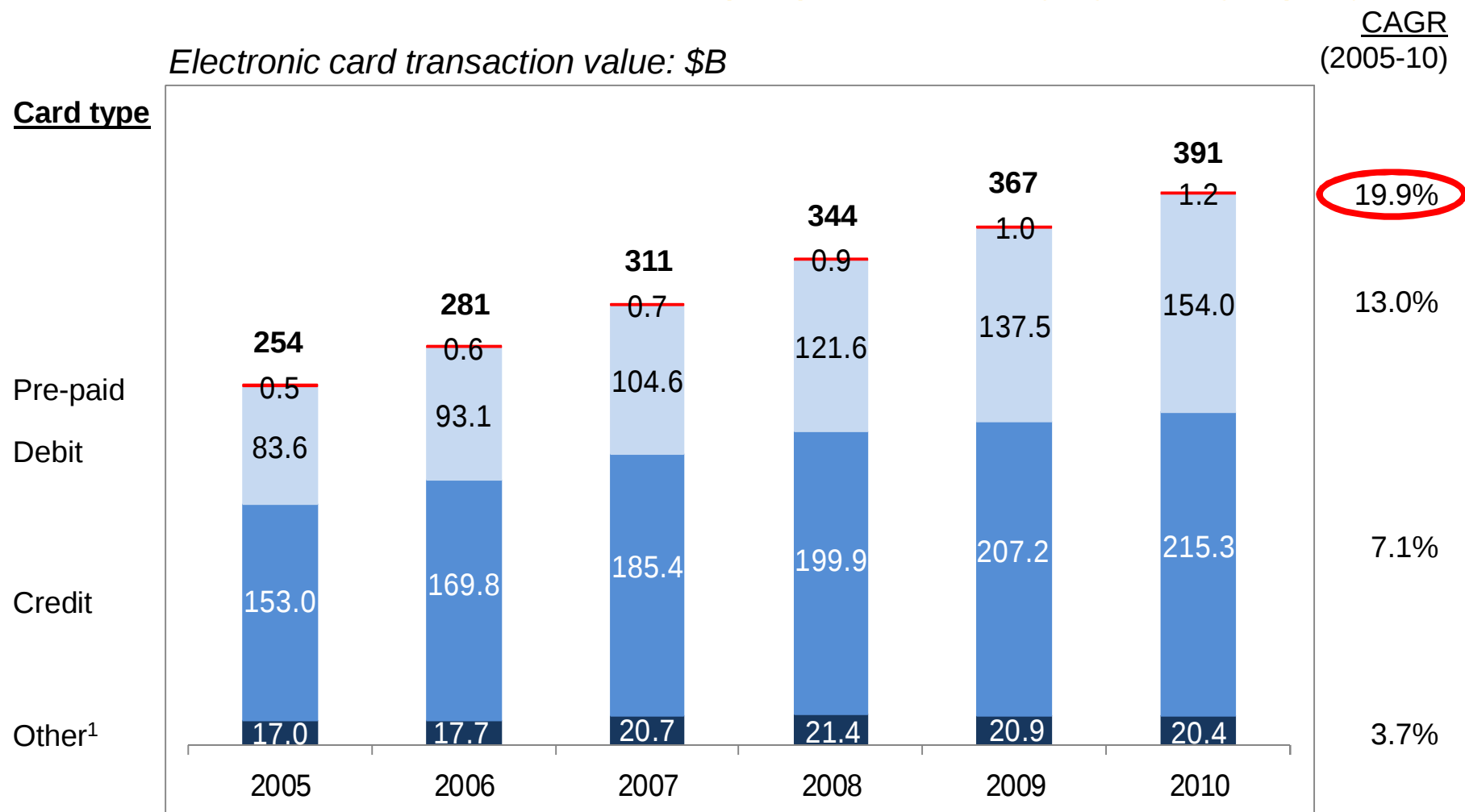
Investment Opportunity Overview

- AAO to acquire Emerchants after conducting due diligence on a number of high quality investment opportunities
- Emerchants is a financial services company and is the leading issuer of pre-paid financial cards in Australia with 28% share of market
 - “Market ready” technology
 - Existing portfolio of customers and revenue streams
 - Scalable business with no additional capital investment
- Emerchants is poised for strong revenue growth
 - Established software and infrastructure platform to support expansion of product and service sales
 - Several drivers of organic and inorganic growth identified by AAO
 - Strong barriers to entry



Introduction to the Pre-Paid Card Market

A \$390B Australian market with debit and pre-paid card usage growing rapidly:



Source: ©Euromonitor International 2011; AAO analysis

¹) Comprises charge cards + store cards

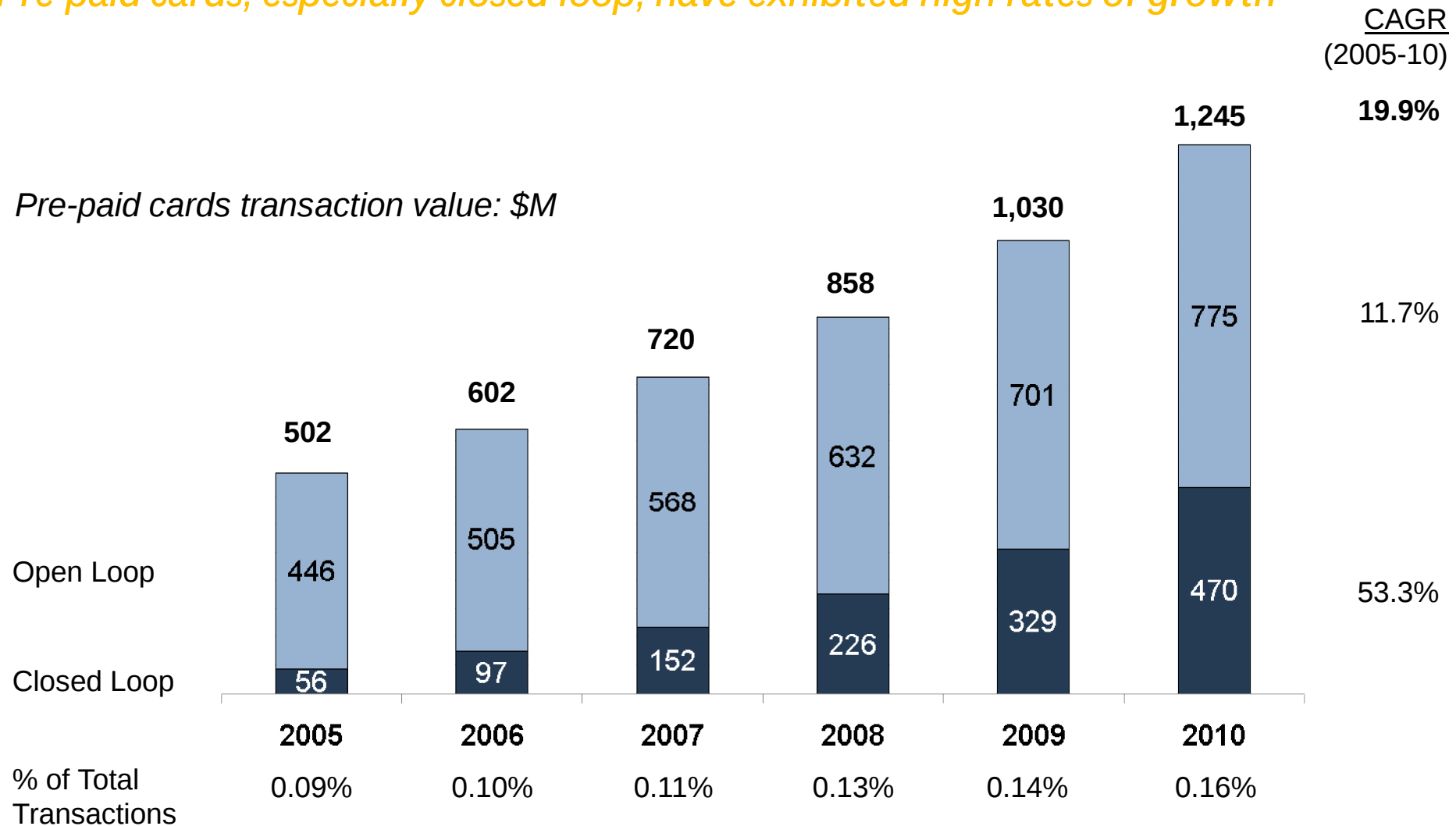
Introduction to the Pre-Paid Card Market

The pre-paid card market can best be broken into 4 quadrants

	Open loop / branded	Closed Loop / private label
Reloadable	• General purpose pre-paid cards • Applicable to payroll, benefits, insurance schemes • Useful in government payment systems • Sample of Emerchants customers today: ➤ Edge Loyalty, Sony, Public Trustees of S.A.	• Customer loyalty and gift cards • Applicable in top-up phone cards and transport cards • Sample of Emerchants customers today: ➤ ABC Learning, Vodaphone, Telechoice, Charitas
Predenominated (not reloadable)	• Bank or credit card company general use gift cards • Sample of Emerchants customers today: ➤ Acer, Hewlitt Packard, Medibank Private, Lion Nathan	• Traditional single-store gift card • Cannot be recharged (hence considered to be a 'non-financial' instrument) • Sample of Emerchants customers today: ➤ Cabcharge, Laura Ashley, Palace Cinemas, Monadelphous

Introduction to the Pre-Paid Card Market

Pre-paid cards, especially closed loop, have exhibited high rates of growth

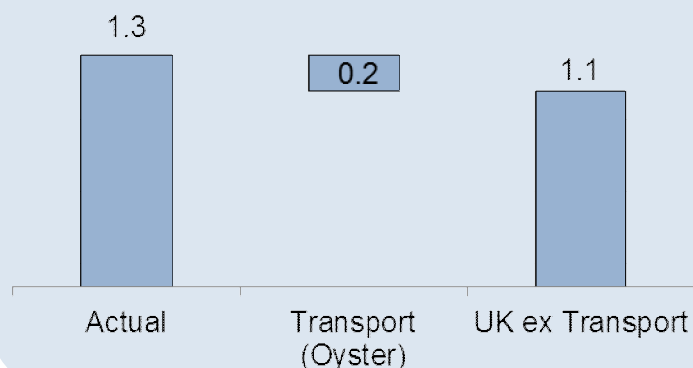


Source: ©Euromonitor International 2011; AAO analysis

Introduction to the Pre-Paid Card Market*

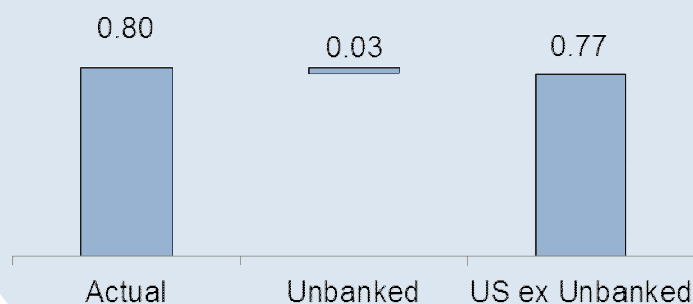
Potential penetration rate growth supported by UK and US experiences:

% UK Pre-Paid on Total Transactions



- At 1.1% penetration by 2015, Australian growth would be 55% p.a.
 - implies A\$11bn market
- At 1.3% penetration, growth would be 60% p.a.
 - implies A\$13bn market

% US Pre-Paid on Total Transactions



- At 0.77% penetration, Australian growth would be 45% p.a.
 - implies A\$8bn market



- If Australia achieves penetration rates similar to comparable countries such as the UK and US, it may experience very high rates of growth.**

* The figures concerning Australian growth and implied size of market, are hypothetical projections based on assumptions of market penetration and are provided for illustrative purposes only. They are not intended to constitute forecasts of actual growth anticipated in the Australian market, and should not be relied on as such

** Underlying transaction growth is assumed to be 5.4% p.a., similar to the five year historic average

Emerchants Overview

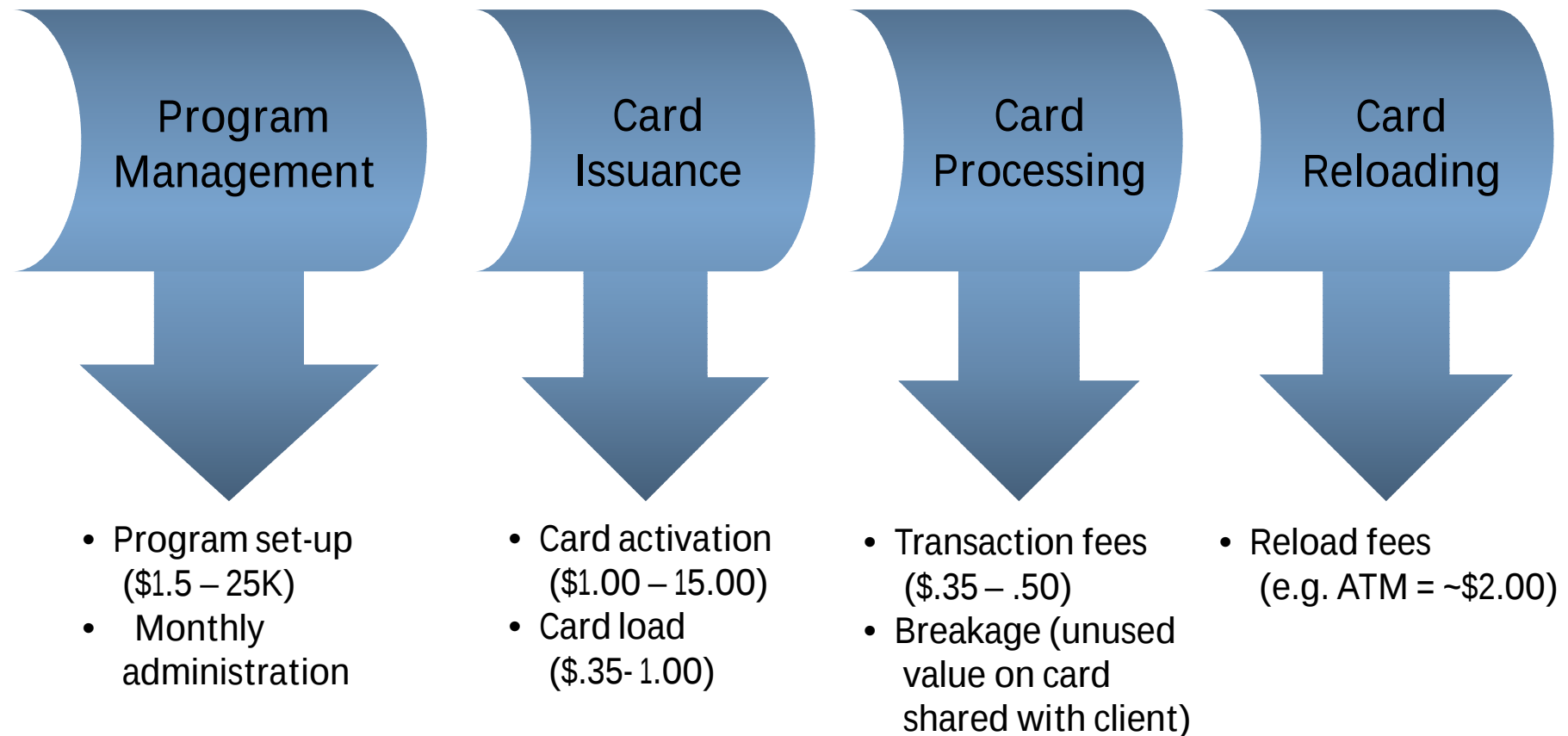
Timing is everything:

- Emerchants has positioned itself to achieve high growth rates with very little incremental investment
- Opportunity to purchase Australia's leading issuer of pre-paid financial cards
 - 28% share of cards on issue¹
 - 21% share of value of transactions¹
- First card issuer in Australia to be PCI DSS accredited
- The only non-bank processor of Mastercard in Australia
- Existing suite of products and customers, e.g.
 - Gift cards
 - Loyalty cards
 - Corporate expense cards
 - E-vouchers
 - Government payments
- Broad array of existing income streams
- Software development over 10 years and over \$8M of total expenditure

1) Source: ©Euromonitor International 2011; financial cards include open loop and reloadable closed loop cards and exclude closed loop non-reloadable cards

Emerchants Overview

A diversity of income streams:



Emerchants Overview

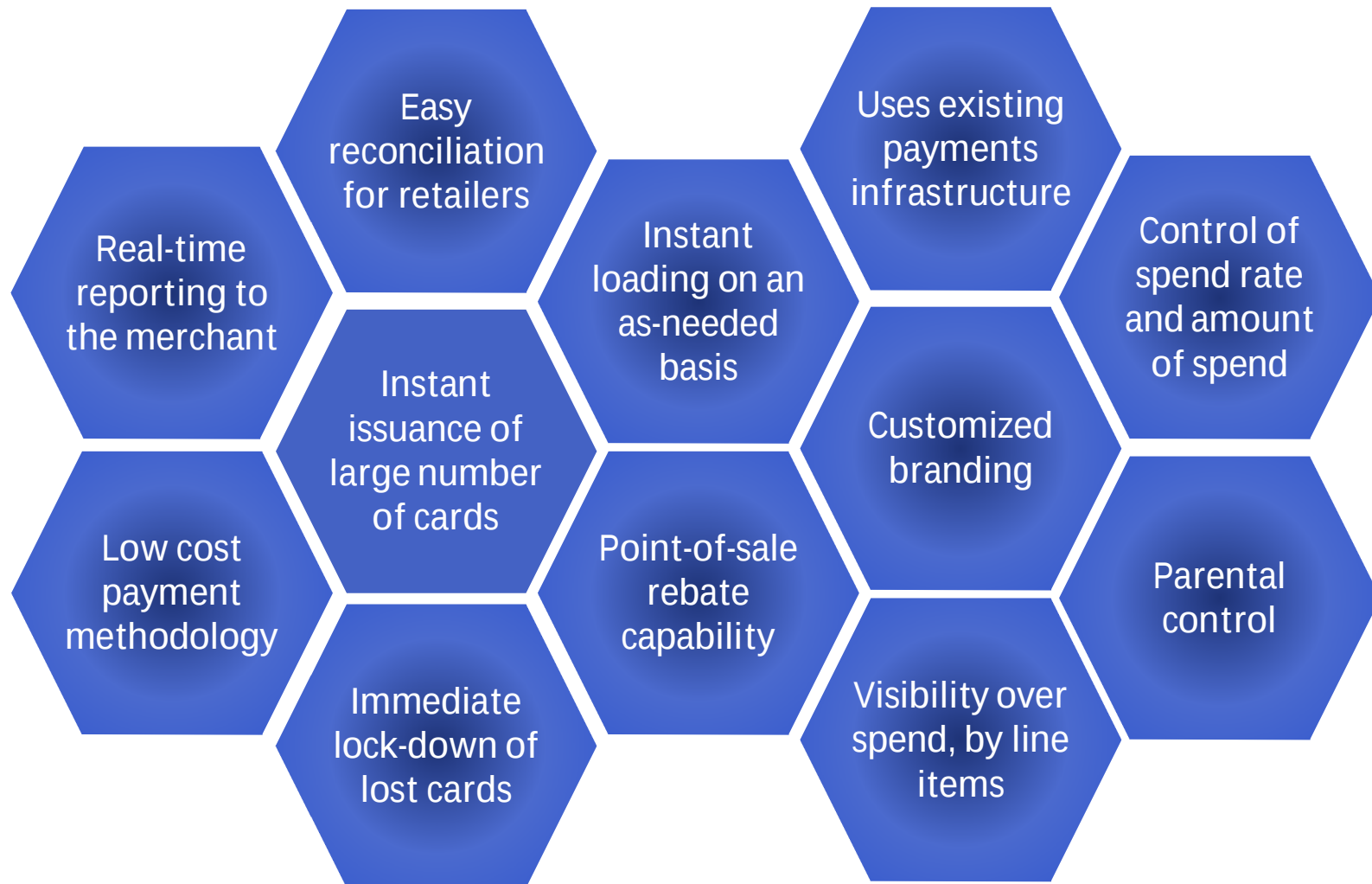
Scalable, robust and flexible systems:

- Established data centre in Brisbane
- Secondary centre established soon in Melbourne
- New, state-of-the-art IT hardware
- PCI-DSS compliant security systems
- Protected, proprietary software capable of configuring cards to meet a large variety of client needs
- Systems capable of processing 100 times more transactions per second than current activity level
- Capability to configure cards within 24-48 hours



Emerchants Overview

A competitive point of difference in a fragmented market:



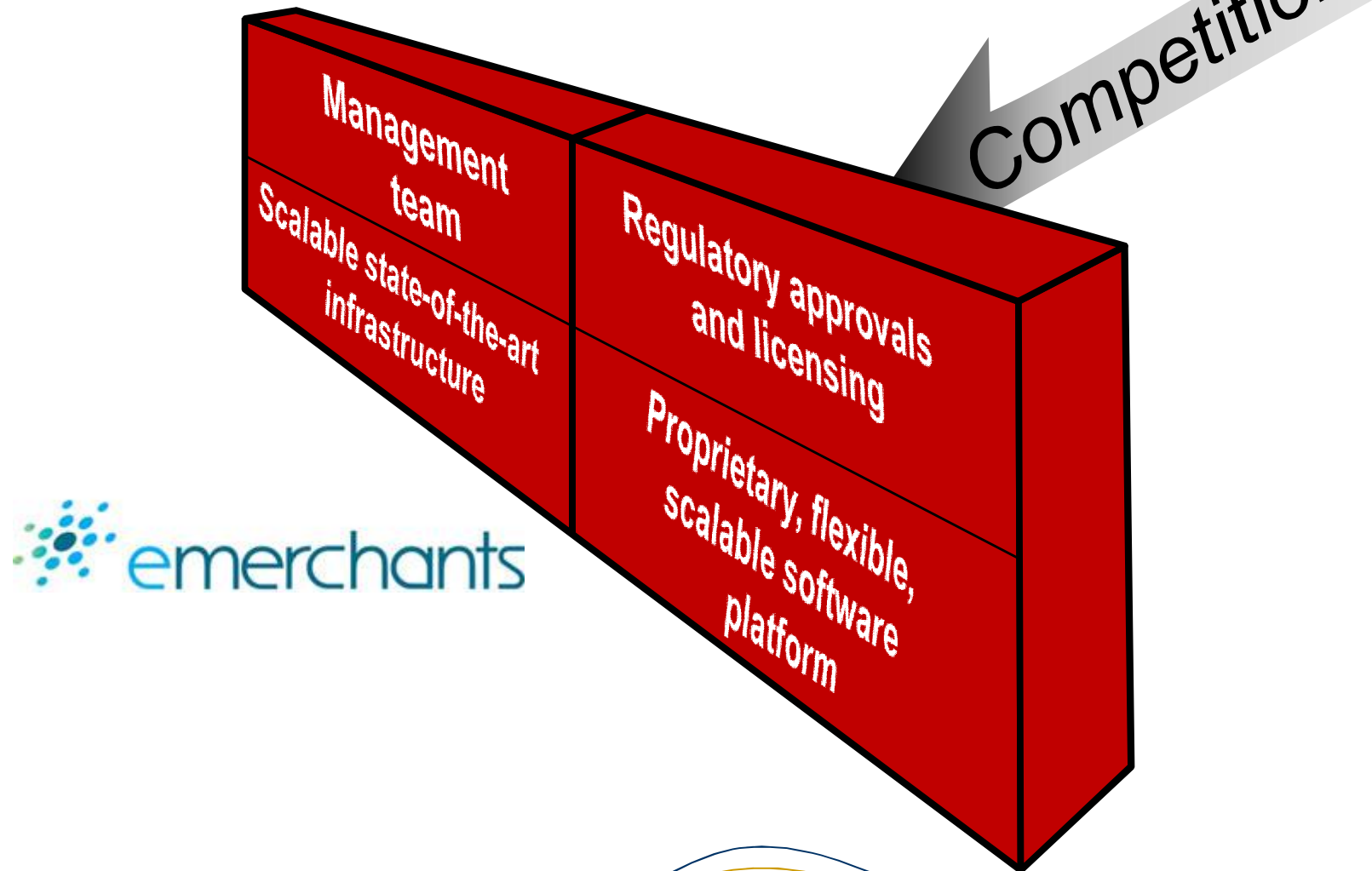
Emerchants Overview

Regulatory and licensing requirements are significant:

- Emerchants operates currently under an Australian Financial Services License
- New entrants require certain regulatory and commercial approvals
 - ASIC
 - APRA
 - RBA
 - APCA
 - AUSTRAC
 - EPAL
- Emerchants is currently not subject to APRA regulation
 - Management intend to pursue and ADI PPF to facilitate expected growth in stored value above \$10M
 - Strategically important as larger and new market segments are pursued
- Emerchants possesses accreditations including Mastercard scheme compliance

Emerchants Overview

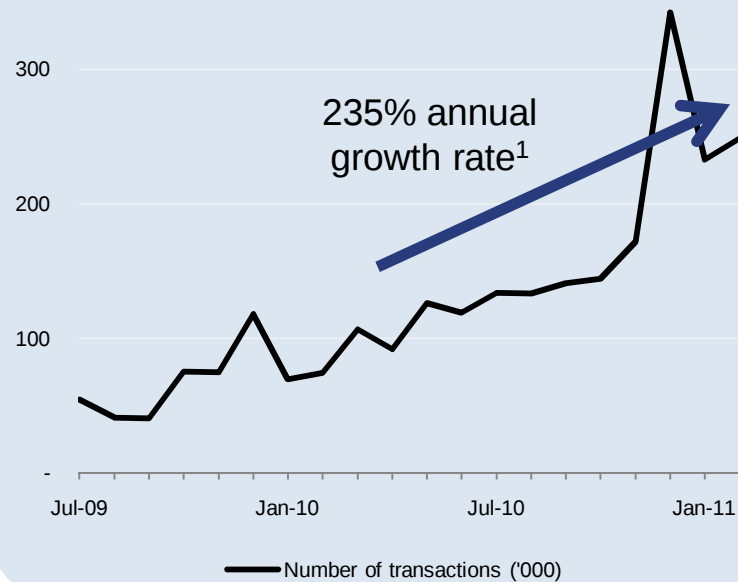
Strong barriers to entry greatly exist:



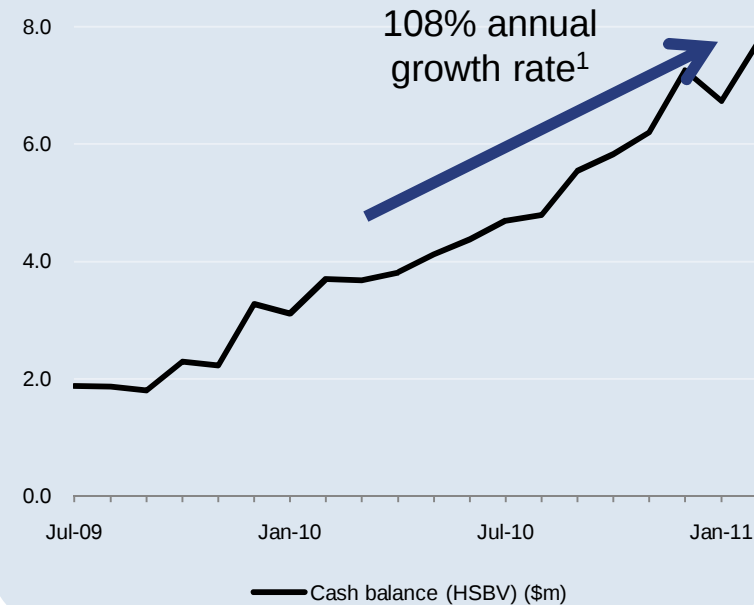
Emerchants Overview

Key performance indicators demonstrate strong business growth trajectory:

Number of transactions



Card Stored Value Balance



¹) For the 12 month period ended 28 February 2011

The Growth Strategy

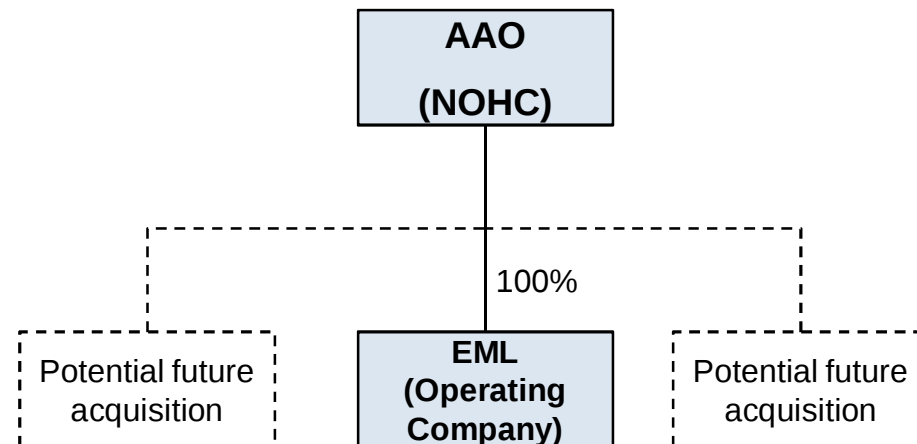
Multiple platforms for growth:



Proposed Structure and Management

Organising for growth and flexibility:

- AAO to become a non-operating holding company (NOHC)
- EML to be wholly-owned subsidiary
- NOHC structure provides for maximum possible flexibility
- AAO intends to spin off existing non-core mineral assets



New Board and Executive Management Appointments



Mark Barnaba¹
(Non-executive Director)

- Non-Executive Director Fortescue Metals
- Chairman Western Power
- Chairman UWA Business School
- Previous experience includes:
 - Co-founder and Exec Chair of Azure Capital
 - Co-founder and MD of GEM Consulting/Poynton and Partners
 - Chairman of Alinta Infrastructure
 - Chairman of West Coast Eagles
 - Manager with McKinsey
 - Harvard MBA (Baker Scholar)
 - BCom from UWA (1st Class Hons, Uni Medal)



John Willinge¹
(Non-executive Director)

- Founder of Alverstoke Group LLC, an investment management firm based in New York
- Previously worked at several leading global financial services firms including:
 - Thomas Weisel Partners (as a Partner in San Francisco)
 - Goldman Sachs and Co (New York), and Rothschild (Australia).
- Served on the Board of Directors of public and private companies across a variety of industries
- Harvard MBA (Hons)
- BCom from UWA
- Bachelor of Applied Science in Engineering from the Western Australian School of Mines



John Toms
(Non-executive Director)

- Consulting Director - Head of Governance, Risk & Compliance of Acumen
- Previous experience includes:
 - o CEO for 17 years of an Approved Deposit-taking Institution (ADI)
 - o Non-executive Director for 17 years of Australian Payments Clearing Association
 - o Non-executive Director of Mercer Nominees
 - o Executive Director of Insurance Agents Assoc of Australia
 - o Commonwealth Public Servant
- B.Comm. (UNSW)
- Member AICD



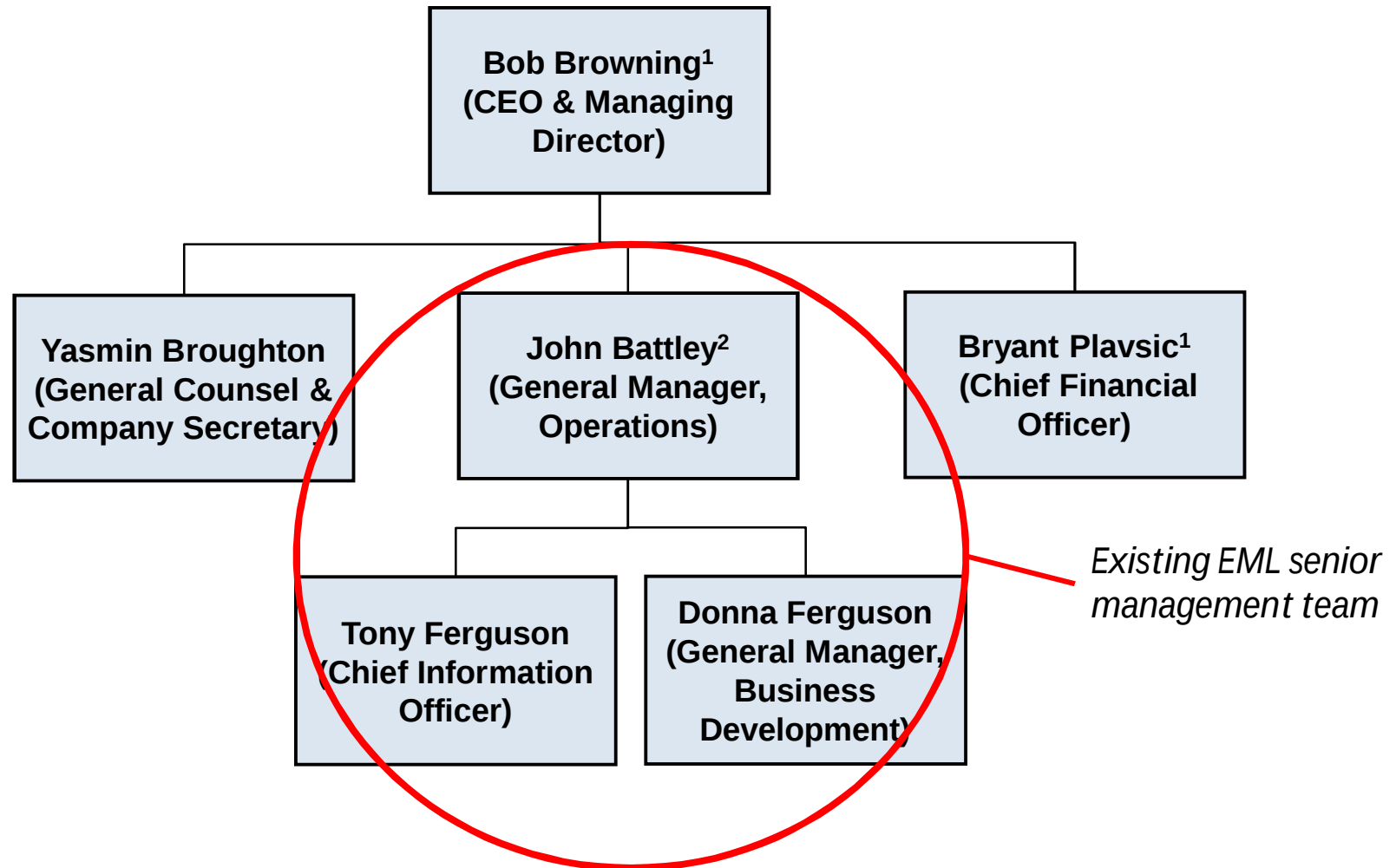
John Battley
(GM Operations & Executive Director)

- Internationally experienced executive and entrepreneur
- Currently CEO/MD of Emerchants Ltd
- Previous experience includes:
 - Founder of Globetrotter Corporate Travel (one of the largest corporate travel management companies in Australia)
 - Senior international sales & marketing roles based in Frankfurt, Germany, with a leading global pharmaceutical company
- CPA
- B.Pharm & B.Econ (Sydney University)

1. Current AAO Advisory Group member

Proposed Structure and Management

Proposed key management team members:



1. Existing Board members
2. Proposed new Board member

Capital Raising and Expected Timetable

Indicative impact of acquisition on balance of AAO listed securities:

- In association with the proposed acquisition of EML, AAO seeks to raise minimum of \$10million of new equity capital
- AAO will need to issue a Prospectus under Listing Rule 11.1 and raise capital through the Prospectus
- Placement subject to shareholder approval
- Shareholder approval to be sought at an EGM around end of June
- AAO intends to consolidate its shares on a 5 to 1 basis

AAO securities on issue¹

Pro forma AAO securities on issue (m)

ILLUSTRATIVE

	Pre-consolidation	Post-consolidation
Shares		
<i>current outstanding</i>	189.3	37.9
<i>vendor up-front consideration</i>	75.0	15.0
<i>capital raising</i>	n/a	11.8
Total	264.3	64.7
Options - current outstanding	139.0	27.8
Total securities on issue		92.5

(1) Assumes 75 million AAO shares are issued as part of up-front vendor consideration for acquisition of EML, and that AAO then undertakes a 5 for 1 share consolidation followed by a \$10 million capital raising at \$0.85 per share. Current share price is 17 cents per share (equivalent to a post-consolidation share price of \$0.85). Does not take into account the Deferred Consideration of 15 million shares or future Performance Shares

Capital Raising and Expected Timetable

Vendor and AAO interests fully aligned through structure of consideration and employment contracts:

- AAO to acquire 100% of Emerchants with proceeds to Emerchants shareholders comprising:
 - Value upfront consideration of 75 million listed AAO shares that vest on June 30, 2014 and \$2.5 million in cash
 - Deferred Consideration of 15 million shares based on achieving 2012 sales target of \$7 million
 - Three performance payments of AAO shares based on reaching profitability targets as shown below:

	2011/12	2012/13	2013/14
PBT target (\$m)	5.2	14.1	22.3
Share grant for Vendors (m) (pre-consolidation)	12.5	12.5	12.5

- Employment contracts have been agreed with John Battley, Tony Ferguson and Donna Ferguson
 - Contracts include a 3-year term and specified roles & remuneration packages

Capital Raising and Expected Timetable

Sources and uses of funds:

Sources	\$m	Uses	\$m
Existing AAO cash	2.6	Vendor cash consideration	2.5
Equity capital raising	10.0	Transaction costs	1.8
		- <i>transaction fees</i>	1.4
		- <i>equity raising costs</i>	0.4
		Working capital and growth facility	8.3
		- <i>capex</i>	3.3
		- <i>expansion of sales & marketing team</i>	5.0
Total sources	12.6	Total uses	12.6

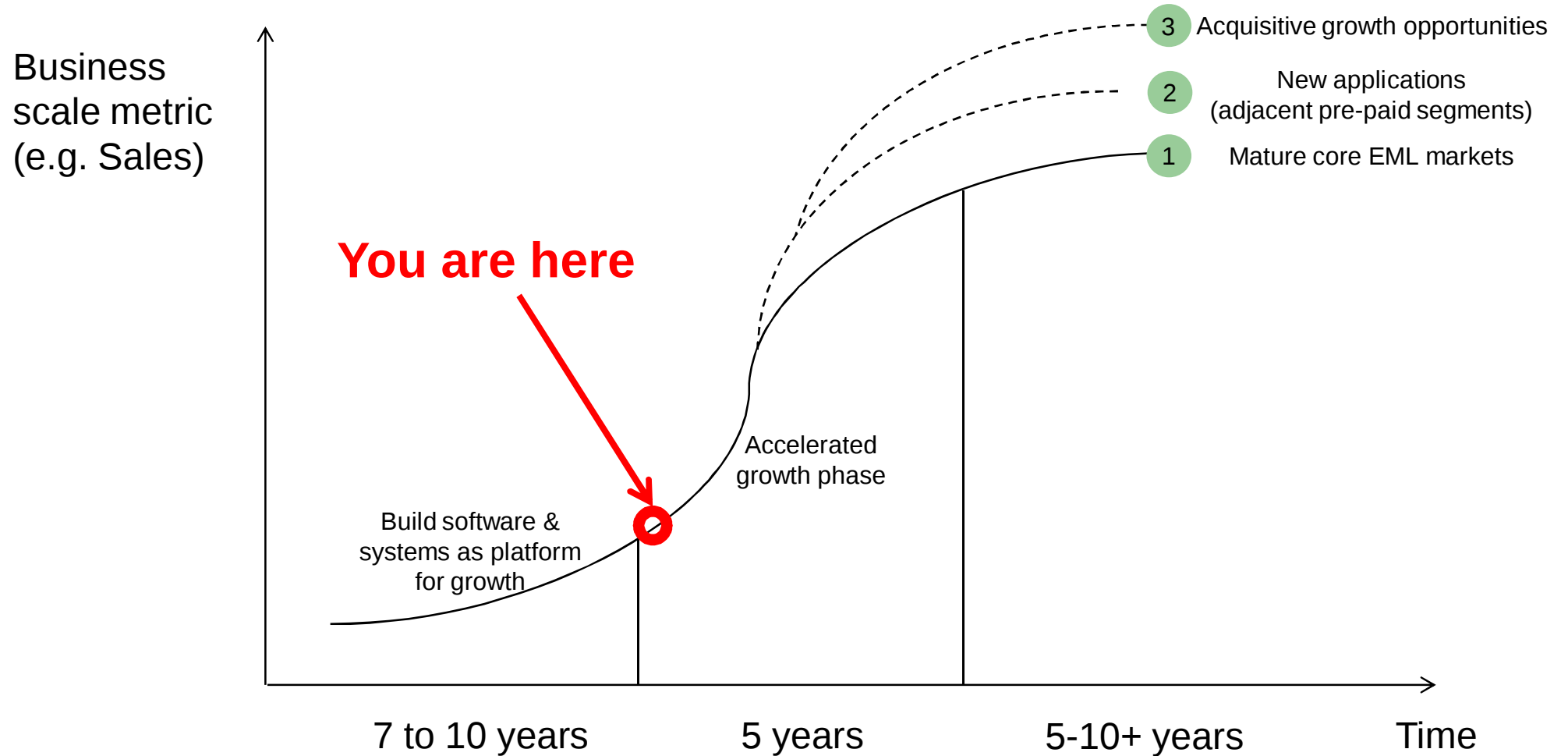
Capital Raising and Expected Timetable

Key events & anticipated dates:

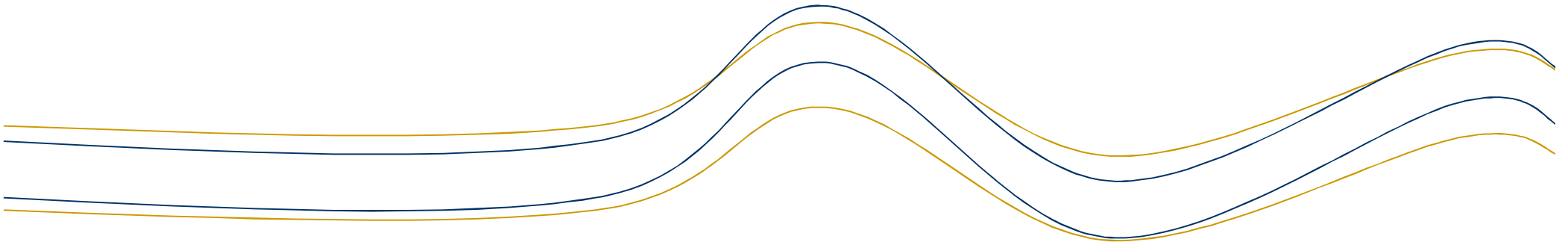
Event	Anticipated date
Announce acquisition, capital raising & timetable	9 May
Lodge Prospectus with ASX and ASIC	Late May
Prospectus offer period	Late May to June
General meeting of AAO shareholders	Late June
Notify ASX of results of general meeting	Late June
ASX suspends trading pending completion of acquisition and capital raising	Late June
Settlement of acquisition Allotment of shares to investors and under Prospectus	Early July
Re-instatement of trading on ASX	Early to mid July

Conclusion

Timing is everything:



APPENDIX



Appendix

Plans are in place to manage/mitigate key risks:

Key risk	Management / mitigation
Lower growth in pre-paid market than anticipated	Strategy & operational plans developed
Emerchants achieves lower market share than anticipated	Expanded sales team and structure agreed
Access to growth funding may be limited	Broker firm commitments of c.\$10 million equity capital raising sufficient to fund growth opportunities
Exposure of private client information	Detailed due diligence has highlighted “best of breed” data security systems within Emerchants (PCI DSS accreditation)
Disruption of Emerchants’ banking relationships	Banking relationships reviewed and confirmed during due diligence ADI PPF application process has been initiated
Regulatory changes in the pre-paid industry	Emerchants pursuing a customer-centric strategy that is unlikely to be significantly impacted by regulatory change
Revocation of AFSL within Emerchants Holdings Limited	Transfer licence to Emerchants prior to completion