

MARKET RELEASE

1 September 2011

1300 Smiles Limited

TRADING HALT

The securities of 1300 Smiles Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Monday, 5 September 2011 or when the announcement is released to the market.

Security Code: ONT

Simon O'Brien Senior Adviser, Listings (Brisbane)



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31 August 2011

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REQUEST FOR TRADING HALT

We hereby request that the Company's shares (ASX:ONT) be placed into trading halt with immediate effect.

Pursuant to the ASX Listing Rule 17.1, we advise that;

The reason for the trading halt is to consider a proposed capital raising;

- We anticipate that the halt will be required until commencement of trading -10.00am Monday, 5 September, 2011;
- An announcement will be made to the Market prior to that time which will clarify the Company's position;
- The Company is not aware of any reason why the trading halt should not be granted;
- The Company is not aware of any reason why the trading halt should not be granted.

Please contact us should you have any questions.

Yours Sincerely,

Dr. Daryl Holmes, Managing Director