

**LongReach  
Group Limited**  
ACN 010 597 672

C/- C4i Pty Ltd  
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South Melbourne  
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[www.longreach.com](http://www.longreach.com)

11 December 2008

Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Rights Issue Underwriting Agreement  
LongReach Group Limited**

Further to your queries in respect of the terms of the Underwriting for the Company's Rights Issue, please find herewith the terms of the Underwriting Agreement. We confirm that no fees are payable to the Underwriter in respect of the Rights Issue.

Yours faithfully



Don Millard  
Company Secretary

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# NIGHTINGALE PARTNERS PTY. LIMITED

ABN 65 117 659 480

19 Hopetoun Avenue  
Mosman NSW 2088  
Australia

Telephone: (02) 9960-1127  
email: larrycase@nightingale.com.au

30 October 2008

Mr Allan Farrar  
Chairman  
LongReach Group Ltd  
Level 7, 3 Spring Street  
SYDNEY NSW 2000

Dear Allan,

## **Underwriting Agreement for LongReach Group Ltd ("LongReach" or "the Company") Rights Issue**

I refer to our recent discussions and now set out in this letter our Agreement on the terms and conditions on which we agree to underwrite a rights issue by LongReach.

Please confirm your agreement with these terms and conditions by signing a copy of the document and returning it to us.

### **Agreement**

The Directors of LongReach have agreed to raise \$2,042,000 by way of a 1:1 non-renounceable entitlement rights issue at a price of 1.5 cents per share. The principal purpose of the share issue is to enable the LongReach Group to fulfil its commitments under an agreement to supply Goods and Services to Airservices Australia (Fire Centre Control Upgrade Project). Nightingale Partners Pty Ltd ("Nightingale") agrees to underwrite the rights issue subject to the following terms and conditions.

### **Rights of Withdrawal from underwriting obligations**

Nightingale may without cost or liability to itself and without prejudice to any of its rights including its right for damages arising out of any breach by the Company terminate or withdraw, by notice in writing to the Company, from its underwriting obligations under this Agreement if any of the following circumstances occur at any time up until 5.00pm Sydney time on 15 January 2009.

1. LongReach's wholly-owned subsidiary, C4i Pty Ltd, fails to enter into the Goods and Services agreement (Fire Station Control Centre Equipment) with Airservices Australia;
2. The Company contravenes any provision of the LongReach Constitution, the Corporations Act, the Listing Rules or any applicable legislation or any policy or requirement of ASIC or ASX where the contravention has a material adverse effect on the Company's business or liabilities and is not rectified within 14 days;
3. LongReach breaches any of the "Other Longreach Obligations" as specified below;
4. An Event of Insolvency occurs in respect of the Company or one of its subsidiaries or the Company suspends payment of its debts in general;

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5. A suspension or material limitation in trading generally occurs on the ASX or the Company is removed from the Official List or the Shares become suspended from Official Quotation.

#### **Other LongReach Obligations**

LongReach agrees to proceed with the above-mentioned 1:1 entitlement rights issue on a timely basis and no later than six weeks from the date of this agreement; not to issue any new securities or options over securities until the closing of the entitlements rights issue; not to enter into any commitments except in the ordinary course of business involving a liability or payment in excess of \$50,000; and not to make any directors or management appointments or implement any salary increase or benefits to directors, management or senior consultants for a period of three months from the date of this Agreement without the written approval of Nightingale.

#### **Application and Allotment of Shortfall Securities**

Nightingale agrees – within seven days of advice from LongReach of the shortfall amount, if any, following the closing of the rights issue – that it will complete applications for securities for the shortfall amount and provide them to LongReach together with the full payment for those securities (and in the absence of completed applications forms Nightingale appoints LongReach as its agent to apply for those securities on its behalf and in its name, and the payment for those securities is a debt immediately due and payable to LongReach by Nightingale.)

LongReach agrees to allot the securities identified in the applications from Nightingale.

#### **Disclosure**

Nightingale notes the interest of Larry Case (a Director of LongReach) in this agreement as a director and shareholder in Nightingale, and acknowledges that Larry Case will excuse himself from any relevant Board vote of LongReach on matters associated with the capital raising contemplated by this agreement.

Yours sincerely,  
Nightingale Partners Pty Ltd



Lawrence Case  
Director

Accepted by LongReach Group Ltd



Allan Farrar, Chairman

Stephe Wilks, Director