

28 October 2010

ASX ANNOUNCEMENT

Transol Corporation Ltd acquires remaining 20% interest in Valleyarm Digital Pty Ltd

(ASX Code: TNC)

The Directors of Transol Corporation Limited ("Transol") are pleased to announce that it has acquired the remaining 20% of Valleyarm Digital Pty Ltd ("Valleyarm") whereby Transol now owns 100% of that business.

In recent months, the Board has been impressed with the progress and development of sales and content in the digital music business, which has led to the Company making an offer to acquire the balance of Valleyarm.

Valleyarm continues to lead the market in the Asia-Pacific region and maintains its status as the leading digital distributor for Asian-Pacific digital content. Valleyarm's performance for the third quarter of 2010 has shown a definite increase in brand awareness in the global music industry, and an increase of 20% in content.

The Valleyarm catalogue includes titles from high profile artists such as Birds of Tokyo, Tina Arena, Vanessa Amorosi, The Veronicas, Diesel, Jimmy Barnes, Nidji, Peterpan, T-Rex, Delta Goodrem, Small Faces, Silverchair, Underworld and Ian Dury and The Blockheads.

Valleyarm has already signed over 50,000 tracks, including titles from some of Australia and Asia's leading artists. The Company is close to finalising deals in Europe and the USA and will give Valleyarm the ability to supply over 500,000 audio tracks and videos into Asia Pacific mobile and online stores within the first two quarters of 2011.

With the significant growth of the smart phone market and trend of purchasing music content digitally, Valleyarm is expecting to substantially increase its revenue and earnings potential over the coming twelve months.

The transaction

The acquisition involves:

- the issue of 30 million shares to the vendors, along with the issue of a further 10 million shares to the vendors in the event that Valleyarm achieves EBITDA of \$500,000 in any 12 month period within 18 months of signing; and
- increasing the loan to Valleyarm from \$300,000 to \$400,000.

The funds provided via the loan facility will promote the continued development of the Valleyarm business and it is intended that three additional programmers will be employed to facilitate the loading of digital content into the Valleyarm Vault.

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A spokesperson from Valleyarm said *"We are delighted to have completed the transaction with an ASX listed company such as Transol. The transaction is a fantastic vehicle for Valleyarm to develop our global digital business in the public arena. The digital music sector is expanding rapidly, and with digital sales into lucrative markets such as Japan and China being the next obvious steps for Valleyarm, we look forward to many successful years ahead with Transol."*

About Valleyarm

Valleyarm specialises in the digital distribution, publishing and online marketing of music and video content focused primarily on content and services within the Asia Pacific Region, along with representation in eastern and southern Africa. Valleyarm incorporates a unique solution emphasising an "Asia-Out" "Asia-In" model providing digital music content, sub-publishing and touring services which enable Asian content owners to monetise content external from their homeland, and to provide an Asian gateway for western acts and labels to monetise their content in non-traditional markets.

Valleyarm provides artists and record labels with an innovative flat rate pricing option in addition to its supported/managed model whereby Valleyarm may receive up to 50% distribution fee. Valleyarm also acts as a sub-publisher to maximise the artist's income by collecting royalties and clearing digital rights from publishing revenues throughout the world.

Valleyarm has existing offices in Australia and Berlin, and partners throughout Asia, the Middle East, UK and Europe. For further information, visit the Company's website at www.valleyarm.com.

Transol recently advised that it intends recapitalising its mining interests (Liberty Mining International) via an IPO. The Company will therefore continue to focus on the fast growing digital music and content market via Valleyarm and other key technology assets via CLTNet Pty Ltd.

For further information, please contact Mr Adrien Wing on +61 3 8610 8633.



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COMPANY SECRETARY



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