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ASX / MEDIA RELEASE

Mobile Embrace Raises \$1.1m in Private Placement; Forecasts Strong March Quarter and Revenue Growth

Mobile Embrace Limited (ASX: MBE), Australia's leading integrated mobile and digital communications company, today announced it had raised \$1.1 million in a private placement. The funds will be used to further accelerate the growth of its integrated mobile advertising and marketing business and for working capital.

The Company placed 61,111,111 million ordinary shares at \$0.018 each.

Mobile Embrace CEO, Chris Thorpe, said: "I would like to welcome as shareholders Auster Capital Partners LLC among other sophisticated investors.

"The capital raising comes at an important time in the Company's development with increasing market activity, the overall growth in the industry and our tier 1 mobile advertising publisher network that is evolving at pace."

Auster Capital Partners Managing Partner, Chuck Auster, added, "We are very pleased to continue our relationship with Chris and the team at Mobile Embrace. We believe the Company's prospects are bright, and wanted to step up our commitment to support working capital needs as Mobile Embrace continues its strong growth." In September 2011, Auster Capital Partners executed a secured loan facility with Mobile Embrace.

As previously announced, the past four months have seen the Company move back to EBITDA positive trading averaging \$80,000 EBITDA profit per month. The Company's unaudited December half-year result shows EBITDA profit in excess of \$150,000, turning from a loss of \$485,067 for the previous half year to June 2011.

The half-year result shows revenue increasing to \$4.9 million, up from \$3.9 million in the previous six month period to June 2011.

The Company predicts a strong March quarter with revenue growth of greater than 10% on the December quarter.

Mobile Embrace has significant capabilities in providing mobile solutions to businesses and is a market leader in integrated mobile and digital communications.

This announcement is expected to lift the trading halt on the company's securities.

DISCLAIMER

Forecasts and estimates may be materially different and may be affected by many factors such as the timely release of services, dependencies on carriers, the overall global economy, competition in the industry and other events beyond the control of or unforeseen by Mobile Embrace Limited.

About Auster Capital Partners

Auster Capital Partners ("ACP") is a private equity and investment advisory firm, with an expertise in the telecommunications, managed services, cloud computing and information technology sectors. ACP seeks to invest in companies with a strong value proposition and a proven management team. Its advisory business provides transactional expertise. Auster Capital Partners was founded in 2008 and is headquartered in Jersey City, New Jersey with offices in London, England and an affiliate office in Santiago, Chile.

About Mobile Embrace Limited

Mobile Embrace Limited (ASX:MBE) is Australia's leading integrated mobile and digital communications company.

The company enables businesses to embrace mobile to engage existing customers and to acquire new customers via the mobile phone with highly interactive solutions.

Mobile Embrace makes it simple for its clients to integrate mobile into their business with fully integrated mobile messaging, mobile internet publishing, and mobile advertising platforms and services.

Combined with mobile marketing, mobile application (apps) development and m-commerce technology and services, these proven and robust platforms support high volume, seamless mobile enablement and customer interaction solutions for business.

For more information see www.mobileembrace.com

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