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United States Navy exercises purchase option on VHF Locator Beacons and commits to large-scale simulation exercise

- **Confirms initial contract value of US\$400K with significant revenue upside**
- **MBO is the Sole Source provider of VHF Locator Beacon test articles to the US Navy**
- **Successful joint US Navy and RAN testing conducted at the Garden Island submarine escape training tower November 2010**
- **NAVSEA final field capability demonstration scheduled for June 2011 to test VHF locator beacon**
- **Underpins possible procurement – likely in second half of calendar 2011**
- **Additional revenue opportunities - technology to be made available to other NATO submarine fleets and surface vessels**

Perth, Western Australia: Marine safety equipment provider, **Mobilarm Limited (ASX: MBO)** announced today that the United States Naval Sea Systems Command (NAVSEA) has confirmed its support of the Company's V200 Submariner VHF Locator Beacon development project by exercising its option to purchase an additional US\$300,000 worth of test units and engineering services. The option was exercised following initial testing success of the VHF Locator Beacon.

Following further final capability testing, NAVSEA will then look to procure the VHF Locator Beacon for its fleet. Mobilarm was awarded a Sole Source contract by NAVSEA in April 2010 to develop a modified version of the company's V100 VHF Locator Beacon specifically for use during and after an at-sea evacuation from a submarine. The United States Department of Defence for Submarine Escape and Rescue awarded Foreign Comparative Testing ("FCT") funding to Mobilarm to co-develop and supply the V200 Beacon.

NAVSEA has stated that Mobilarm is the only known company with the required technology to meet the US Navy's technical and schedule requirements. Sea trials are planned to take place in June 2011 when NAVSEA will undertake a large-scale sea and air capability demonstration involving multiple vessels and aircraft from the US Navy fleet and United States Coast Guard including satellite tracking of the beacons AIS capability.

The capability testing follows on from a successful joint exercise between the US Navy and Royal Australian Navy in November 2010. This testing was conducted at the Submarine Escape Training Facility on Garden Island and successfully confirmed the wearability and operational aspect of the beacon.

Mobilarm Chief Executive Officer, Lindsay Lyon said: "The US Navy's decision to proceed with purchasing the second tranche of V200 units and related engineering services is very encouraging and marks another key milestone in our partnership with NAVSEA.

"Furthermore, their commitment to undertake a very costly and large-scale capability exercise clearly indicates their enthusiasm for the technology. We have already received enquiries from Navy surface fleets as a result of our ability to deliver on this project.

“To the company’s knowledge, there has not been an instance where successful FCT funding did not lead to procurement. We are increasingly confident of successful validation and commercialisation of the technology.”

“The US Navy has in place 71 commissioned submarines, each carrying approximately 143 people. This could provide strong initial revenue for Mobilarm upon procurement. There are also additional opportunities to follow with a large number of NATO countries,” Mr Lyon said.

Mr. Lyon added that Mobilarm continues to assess growth opportunities including tenders for new contracts and complementary acquisitions that make an immediate contribution to revenue and earnings.

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About Mobilarm Ltd:

Headquartered in Perth, Western Australia, Mobilarm (ASX: MBO) is one of the world's leading brands in the rapidly growing man overboard product category. The Company’s marine safety equipment solutions remove risk from the workplace in the offshore oil and gas, defence and commercial marine industries, where regulatory compliance, Occupational Health & Safety and Director’s Liability are the major drivers for improved employee safety and Duty of Care.

Mobilarm owns patent pending technology that protects and saves lives in the marine workplace and enables every maritime vessel to become a marine Search and Rescue asset.

The Company’s Australian-designed emergency locator beacons and crew monitoring alarm systems for use aboard vessels and other marine facilities generate automatic and immediate alerts in emergencies involving personnel, integrate with GPS and onboard navigation systems and provide in-water tracking of man overboard casualties in the water.

Mobilarm has received enviable recognition for its products and design, winning two Seatrade awards for Safety, two Australian Design Awards and the Western Australia Worksafe Award.



Interviews with the CEO and further company information are available from the Mobilarm website:
www.mobilarm.com/page/media_centre.html.