

13 September, 2002

Dear Shareholder

Since my last letter to you in March, we've come a long way with THELMA.

Our market share of health funds has increased from 6% to 40%. The increase on the private hospital side has not been as great, increasing from 7.5% to 10%, as our primary focus since March has been increasing the proportion of health funds connected to THELMA, since THELMA is of little use to hospitals until a major health fund is connected. On the public hospital side, the market share in NSW has increased from 17% to 22%, and the first Queensland public hospitals signed up this month.

These developments have been reflected in the increase in ICSGlobal's market capitalisation over the same period, from around \$9 million in March to around \$45 million at the end of August.

The major development for ICSGlobal is of course Medibank Private signing a three year Agreement, to use THELMA, and taking the opportunity to build a stake in ICSGlobal of up to 19.9%. When the idea of THELMA was conceived, about three years ago, I suspected that the success of such an ambitious, industry-wide undertaking would require the support of one or more major industry players. Our experiences over the past 12 months in trying to roll out THELMA in the absence of the backing of a major player have been frustrating, and the take up slower than we expected, which confirmed my early suspicions. It has taken until now to secure this cornerstone partner which we expect will trigger a domino effect of THELMA take up. Good news for shareholders!

The User Agreement with Medibank Private relates to a range of transactions with Private Hospital eligibility checks being the initial focus. This is a good transaction to start with as it is the easiest to roll out, and with Medibank's 31% market share, this should translate fairly quickly into revenue growth. We'll then look at implementing electronic claims, including hospital, medical, pathology, radiology and ancillary claims (which covers services such as dental, physiotherapy and optometry).

As part of the transaction, and to encourage Medibank to use and expand its use of THELMA's services as quickly as possible, approximately 3 million ordinary shares in ICSGlobal, representing approximately 5% of ICSGlobal issued capital, may be progressively issued to Medibank upon the satisfaction of three performance milestones. The first milestone was the signing of the User Agreement which entitles Medibank to approximately 750,000 of the 3 million shares. The remaining 2.25 million shares will be issued as agreed transaction volumes are achieved within the next 2 years.

In addition to the issue of 3 million shares noted above, Medibank will also be issued with approximately 9 million options over ordinary shares in ICSGlobal, representing approximately 14.9% of existing ICSGlobal issued capital, at an exercise price of forty cents per share and having a 4 year option period. The issue of the options is subject to the approval of shareholders of ICSGlobal. The notification of the Extraordinary General Meeting to approve the issue of these options is enclosed with this letter.

If Medibank satisfy all their performance milestones and exercise all their options, they will end up with a 19.9% stake in ICSGlobal. This creates a great incentive for Medibank to make the THELMA business work, which will be to the benefit of all ICSGlobal shareholders.

Other key milestones since my last letter, and the date they were announced, are outlined below:

- 11 April 2002** ICSGlobal raised more capital to fund the continuing roll-out of THELMA and at the same time broadened its shareholder base through a placement of 6,463,749 new ordinary shares at a price of \$0.15 per share, raising approximately \$970,000. Demand for the placement was so strong that the Board determined to approve a further issue of not more than 3 million ordinary shares at \$0.15 per share.
- 14 May 2002** Queensland-based Teachers' Union Health fund signs up to THELMA.
- 15 May 2002** Six more private hospitals sign up (Delmont Private Hospital, Bega Valley Hospital, Alwyn Rehabilitation Hospital, Brindabella Endoscopy Centre, Mugga Wara Endoscopy Centre and the Wagga Endoscopy Centre) and Illawarra Area Health Service signs up, a block of public hospitals.
- 30 May 2002** An Extraordinary General Meeting was held to approve the above share placements.
- 10 July 2002** Lysaght Peoplecare is the fourth health fund to sign up for THELMA.
- 15 July 2002** St Luke's Hospital Complex signs up and has THELMA installed, tested and signed off ready for business, including staff training, in just two days.
- 24 July 2002** The Commonwealth Bank's health fund, CBHS Friendly Society Limited, become the fifth health fund to sign up for THELMA.
- 14 Aug 2002** A placement of 5,000,000 fully paid ordinary shares at an issue price of forty cents per share is made to raise \$2,000,000 to fund the expansion of the THELMA infrastructure to cater for the expected large increase in transaction volumes and to fund the continued roll out of THELMA to the Australian health industry.
- 3 Sept 2002** Mater (QLD), another large group of public and private hospitals, sign up for THELMA.

I have had a number of emails from shareholders expressing concern at the dilution effects of the capital raisings via share placements. You are no doubt aware that ICSGlobal has been using its cash to get THELMA developed and rolled out to the industry. With the limited market penetration we have been able to achieve in the past 12 months, this has taken about \$250,000 per month.

We therefore have had no option but to raise capital as required. We only raise a minimum amount each time, as we expect the capital raised will produce results that increase the share price further, and then we will have to issue less shares for the next capital raising. Our last three capital raisings have been at 10c, 15c then 40c respectively, so the theory is indeed being realised.

At this stage we don't expect we will need to raise more capital, unless some new opportunity arises that justifies doing so.

I understand, probably more than most, concerns about the dilution effect of issuing more shares. Over the past 12 months my family has been diluted from about 70% of the company to about 31%. However, I'm happy with what the future holds, and confident my smaller piece of a much bigger pie will be worth more than a larger piece of a smaller pie.

Management's primary focus is now to get THELMA's current transactions live into Medibank as soon as possible. In parallel with this process, we are now able to get much more aggressive with getting the hospitals and other providers signed up and ready to start transacting with Medibank.

The other focus for management is managing our costs. There have been further staff reductions since March, as particular roles have become redundant as we move through the life cycle of THELMA. There are currently 17 staff in ICSGlobal, all of whom combine well to form a very tight, multi-skilled team to run the four key aspects of the THELMA business:

- health industry business expertise
- sales & marketing
- implementation, training and operations
- technical development and support of the THELMA infrastructure

I hope that you've found this update useful and I look forward to bringing you more good news as we continue to convert THELMA's strong brand and growing market penetration into value for you.

If you would like to be included on our email list for company announcements and newsletters, and you haven't done so already, please send me your email address to [tim.murray@icsglobal.net](mailto:tim.murray@icsglobal.net).

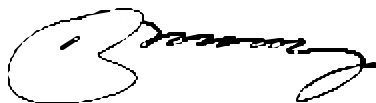
In closing, I think the Medibank deal is a milestone for ICSGlobal that is aptly captured by some words of Winston Churchill:

*"This is not the end.  
It is not even the beginning of the end.  
But it is the end of the beginning."*

I believe we have entered the most exciting phase in the history of ICSGlobal, and management are committed to rewarding your patience and loyalty with a relentless effort to build shareholder value.

Thank you for your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tim Murray', with a large, stylized initial 'T'.

Tim Murray  
Chief Executive Officer