

9th October, 2006

Dear Shareholder,

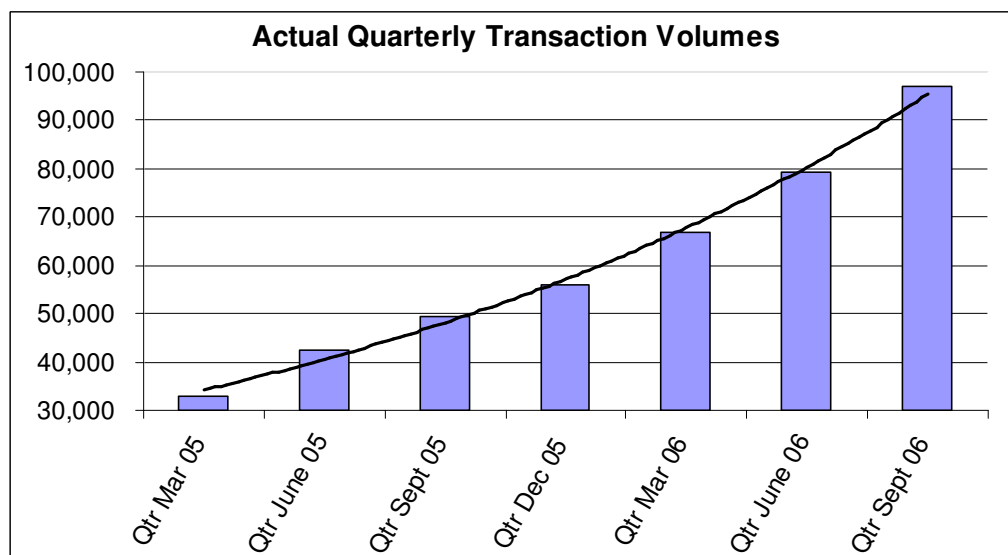
I thought I would give you an update on the business following the recent series of meetings in the US and UK, and provide some clarification on a few issues that we have been receiving questions from shareholders about, such as the new Medicare initiatives recently announced by the government.

Progress in Australia

The THELMA business in Australia has evolved into three key market segments:

- private hospital transactions
- private medical transactions
- public Medicare transactions

- **Private hospital transactions:** Transaction volumes continue to accelerate, as shown in the graph below.



We were expecting significantly better than this. The rate at which hospitals in Australia have been moving from manual administration processes to electronic has been surprisingly slow, especially when THELMA's technology is on offer to make it simple and cost effective for them. In addition, Medibank Private and now a number of other health insurers subsidise hospitals to use THELMA. However, the 2006 financial year has seen a firming in the resolve of healthcare businesses generally to move to electronic trading, and we expect a continuation of the current growth in transaction volumes during the coming year.

Roll out of our hospital eligibility and hospital claim transactions to both public and private hospitals has matured into an efficient, professional operation, and is still a unique service in Australia. Notable new hospitals that commenced using the THELMA service during the financial year include Mater South Brisbane Group of hospitals, Epworth Group of hospitals, Cabrini Group of hospitals, Mater Townsville Private Hospital, Brisbane Private Hospital, Calvary Health Care ACT, St Vincent's Hospital Lismore and Toowong Private Hospital. During the financial year, eleven new health insurance funds signed up and commenced using the THELMA service, taking our national health insurance fund coverage to over 60%, made up of 24 funds including 11 of the top 15.

- **Private medical transactions:** the first of these, in-patient medical claims (from specialists, pathologist, and radiologists) to health insurance funds is an important marketing focus in Australia. There are about 11 million of these claims in the market. Most of our current health insurance fund customers are already connected to the service and awaiting volume and a significant number of healthcare providers are registering through our web site to connect. Over 300 specialist doctors are already sending their claims through THELMA. The quickest way to ramp these volumes is to work with the vendors that provide the software to the doctors, to connect their software to THELMA. The announcement in June 2006 about Health Communication Network ('HCN'), Australia's leading provider of clinical and practice management software for GPs and Specialists, connecting to THELMA was a major development for ICSGlobal.
- **Public Medicare transactions:** ICSGlobal welcomed the recent announcement by the Prime Minister John Howard of new technology initiatives to enable Medicare claiming to be finalised at the doctor's surgery, rather than queuing to collect cash at a Medicare office. This is a positive sign of the government's resolve to work with the private sector to improve Medicare claims and payments.

This is a further step in the process started by the Request for Information (RFI) issued by the Department of Human Services (DHS) in January this year. THELMA was included in a number of consortia that responded to this RFI. Given the preliminary solution design work done with several of the major banks over the past couple of years in anticipation of this new government initiative, and the fact that THELMA has been integrated to Medicare since April 2005, our view is THELMA is in a very strong position to be included in the final solution whatever form it takes. Details of the type of solution DHS will be looking for from the private sector are still to be released. The new solution may need to be "Smartcard enabled", which THELMA is already capable of handling.

Progress in the UK

The rollout of THELMA-UK medical claims to the private health sector is proceeding as expected. This transaction is almost entirely paper-based at present, and there is a strong interest among the major private health insurers and doctor software vendors to move to electronic processing. Following the initial connection to a major UK software vendor to medical specialists, we are working with several of the major private health insurers to configure THELMA-UK to their business requirements. Rollout then involves a repeat of this process for each of the software vendors and private health insurers, six of whom make up about 90% of the market.

We expect that hospital claims will also contribute to THELMA-UK revenue during the 2007 financial year.

Once THELMA-UK has achieved widespread connectivity in the private health sector, and ramping volumes, opportunities exist for THELMA-UK to sell a range of electronic claims and reports back into the UK's massive National Health Service (NHS). The NHS has been progressively outsourcing public health to the private sector.

The decision to put the rollout of the original UK business, eCABS, on hold until after THELMA-UK is established has been vindicated, with some of the private health insurers connecting to THELMA-UK endorsing this sequence as their preference.

Progress in the US

We made good progress towards getting established in the US, which surprisingly is still an emerging market for real time transactions, as a result of the Bush government's Consumer Driver Healthcare (CDH) initiative. Coupled with this, the size of the US healthcare market means that a different approach is required to licensing and rollout of THELMA than that used for Australia and the UK, as there are simply too many payers and providers to sell to directly. Instead, our principle US strategy is to licence THELMA to established eHealth "middle players" who need THELMA-type capability in order to participate in the CDH initiative; organisations such as banks, large systems integrators, software and Internet technology companies, and various regional product channel partners. Examples of specific opportunities include:

- The announcement in August 2006 of Florida-based Automated Decision System Response Corp (ADSR, see www.adsresponsecorp.com) and ICSGlobal combining their respective technologies to retrieve financial and clinical information from major US systems integrators to deliver to the point of consultation in ADSR's existing national hospital customer base.
- An established telephone-based patient payment and insurance information solution currently being utilised in over 400,000 physician locations across the US investigating adopting THELMA to become Internet-enabled.
- A major US systems integrator looking at using THELMA's intelligent real time routing technology for almost a billion transactions initially, which will increase as additional types of transactions are added.
- One of the largest health insurers and a bank looking at THELMA to provide connectivity between their organisations to provide members with integrated health and financial services.

While it is hard to pinpoint the source, size and timing of revenue from the US at this stage, we expect the US will make some contribution to revenue in the 2007 financial year.

In summary:

1. The organic growth in transaction volumes locally is promising, but has been slower than expected. However, there seems to be an increasing resolve among public and private healthcare businesses, as well as the federal government, to move to electronic trading to improve the national health system. For these reasons we see a continuation of at least the current growth in transaction volumes in Australia during the coming year.
2. The Company broadened its potential revenue base by expanding the range of transaction services offered in Australia. In addition to this, progress being made internationally, particularly in the UK, means the Company is less reliant on the pace at which the Australian healthcare industry embraces electronic trading.
3. The Company has a number of major strategic opportunities unfolding in Australia, the UK and the US, any one of which has the potential to quickly and dramatically improve the financial position of the company.

Yours faithfully



Tim Murray
Chief Executive Officer