



SALE OF CREATURES OF LEISURE (USA), Inc.

ANNOUNCEMENT

29 MAY 2007

Vmoto Limited ("Vmoto") wishes to advise that it has finalised the disposal of the business operated through its wholly owned subsidiary, Creatures of Leisure (USA), Inc.

The sale of the Creatures business is effective 1 April 2007 and will result in Vmoto receiving approximately US\$185,000 between now and 30 June 2008, realised through the disposal of remaining stock on hand, residual plant & equipment, current cash on hand and collection of outstanding accounts receivable, of which approximately US\$85,000 has already been received.

The Creatures sale follows the recent disposal of West Surfing Products (USA), Inc. and is in accordance with the company's strategic review of the USA based surf business and subsequent decision to devote its time, effort and resources to the international growth of Vmoto and the immediate opportunities presented by the newly acquired Freedomotor Company Limited ("FMC").

Yours faithfully

A handwritten signature in black ink, appearing to read 'Blair Sergeant', with a long horizontal stroke extending to the right.

Blair Sergeant
Managing Director



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