



VMOTO RECEIVES FIRM COMMITMENTS TO RAISE \$2,175,000

ANNOUNCEMENT

10 JUNE 2009

Vmoto Limited ("Vmoto" or the "Company") is pleased to announce that it has received an overwhelmingly positive response to a proposed capital raising to sophisticated investors, with firm commitments received to raise \$2,175,000 (before costs) via a placement of 54,375,000 fully paid ordinary shares ("Shares") at an issue price of \$0.04 each ("Placement").

The Placement will be made under s708 of the Corporations Act to sophisticated investors. The funds raised from the Placement will be applied towards the Company's Nanjing manufacturing facility as it commences full scale production over the next few months, repayment of debt and for general working capital purposes.

The Shares will be issued in two tranches. Tranche 1, comprising 50% of the Placement Shares, will be issued upon receipt of cleared funds, pursuant to the Company's existing 15% placement capacity. Tranche 2, comprising the remaining 50% of the Placement Shares will be issued following shareholder approval at a general meeting to be held as soon as practicable. At the same meeting, the Company will seek shareholder approval to convert up to \$300,000 in outstanding Directors' fees and loans to equity, on the same terms as the above-mentioned Placement.

Following on from securing a US\$23 million contract to produce 30,000 scooters from its Nanjing manufacturing facility, as announced on 21 May 2009, and the positive response to the Placement announced today, the Company has re-assessed its optimal debt/equity structure going forward and has elected to terminate its agreement with La Jolla Cove Investors, Inc ("La Jolla") ("Agreement") as at today's date.

The Agreement, as announced on 8 April 2009, contemplated the issue of up to four convertible debentures ("Convertible Debentures") each with a face value of US\$1,500,000, to raise up to US\$6,000,000. On 8 April 2009, the Company issued the first Convertible Debenture, with the purchase price of US\$1,500,000 payable in instalments.

To date, La Jolla has advanced US\$200,000 of the US\$1,500,000 payable under the Agreement. Of this, A\$55,000 has been converted to ordinary shares. By terminating the Agreement, the Company has no further obligations or duties under the Agreement or the terms of the Convertible Debenture with respect to the purchase of any remaining portion of the first Convertible Debenture or any of the second, third and fourth Convertible Debentures.



ASX CODE: VMT

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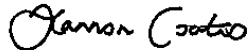
www.vmoto.com

Patrick Davin, Vmoto's Managing Director, today commented: "This placement has received a positive response in a time of great global financial uncertainty, which is a sign of the confidence the market has in our product, our new manufacturing facility in China and our vision in making Vmoto a globally recognisable quality scooter and ATV brand. Securing capital on more favourable terms than the previous arrangement with La Jolla Cove Investors, Inc. means we are able to minimise dilution of our existing shareholder base and bring new quality long term shareholders onto our register, while at the same time securing the capital required to fund the Company's growth plans going forward. Banking facilities have also been rearranged on more favourable terms, which importantly again shows the banks support in our vision."

An Appendix 3B for the Tranche 1 Shares and a Notice of Meeting to seek shareholder approval for, among other things, the issue of Tranche 2 shares will follow in due course.

For further enquiry please contact Mr Trevor Beazley at our Perth Office on 92216175 or 0419 939 820.

AUTHORISED BY:



Shannon Coates
Company Secretary

About Vmoto

www.vmoto.com and www.vmotoltd.com

Australian based Vmoto Limited is a global integrated scooter manufacturing and distribution group listed on the Australian Securities Exchange. Vmoto specialises in high quality motor scooters and All Terrain Vehicles (ATV's) using state-of-the-art production facilities situated in China. Vmoto also operates an international scooter and ATV trading and distribution business in Shanghai China and a sales, distribution and design centre based in Barcelona Spain.