



VMOTO ACQUIRES REMAINING 40% OF E-MAX ELECTRIC SCOOTERS TO TAKE OWNERSHIP TO 100%

ANNOUNCEMENT

4 JUNE 2010

Vmoto Limited ("Vmoto" or "the Company") is very pleased to announce that it has signed a Heads of Agreement with the minority shareholders in Vmoto E-Max Electric Vehicle Company, Nanjing ("VE-Max"), to acquire the remaining 40% interest in the issued capital of VE-Max and take Vmoto's interest to 100%.

E-Max is one of the world's leading manufacturers of electric scooters, with a Munich based development centre and a production base in China. As announced on 10 December 2010 and 21 December 2010, Vmoto owns 60% of VE-Max, following a payment of €1.0million (AUD\$1,640,000) to the existing E-Max shareholders and a €2.5million (AUD\$4,100,000) capital injection to the new company.

Since January 2010, the existing management and manufacturing plant and equipment of E-Max have been transferred to Vmoto's state of the art new scooter assembly plant in Nanjing, China. This transfer was concluded in mid May 2010 and mass production for a growing order book has now commenced from the Nanjing facility.

After working with Vmoto for the last 5 months, the 40% minority shareholders of VE-Max ("Vendors") have agreed to sell their shareholding in VE-Max to Vmoto, in exchange for 22,400,000 ordinary fully paid shares in Vmoto, at a deemed issue price of 20 cents. The shares will be issued within 30 days of execution of the Heads of Agreement pursuant to Vmoto's existing 15% placement capacity and will be held in voluntary escrow for a period of 12 months from the date of issue.

Further, in the event that 5,000 electric scooters are commercially sold from the VE-Max production lines in Nanjing within 12 months of the date of execution of the Heads of Agreement, Vmoto has also agreed to issue to the Vendors and/or their nominees 2,240,000 options over Vmoto shares, each with an exercise price of 20 cents and exercisable within three years from the date of issue.

Mr Patrick Davin, Vmoto's Managing Director, today commented: "This is a well thought out strategic move by both parties. As we have worked with E-Max over the last 5 months, it has become clear that in order to run the operations to maximum effect in conjunction with our existing operations, we need to merge the group to run as one. Fortunately, the E-Max people have also seen that as Vmoto Limited continues to grow, their best return on investment to date will be to become shareholders of the parent company and enjoy the growth of the entire organisation, rather than just the electric division.



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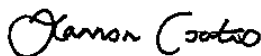
“This comes at a time when the world’s focus on electric transport is accelerating, with many governments around the world pushing our type of products. Being one of the world’s biggest in this area means that our factory is seeing a constant flow of customers taking samples for their respective markets. The completion of Stage 2 of our factory cannot come fast enough.

“This acquisition will bring significant cost saving benefits to Vmoto, with many duplicated positions being made redundant as the two teams merge into one. From a day to day management standpoint, there is no question that the operations will be easier to run.

“There will be little change to the senior management team of the old E-Max and I look forward to working with them to meet increasing customer demand.”

The acquisition of the remaining 40% interest in VE-Max comes as Stage 2 of Vmoto’s manufacturing facility in Nanjing continues to be built ahead of schedule. It is anticipated that Stage 2 of the Nanjing facility will be ready for scooter manufacture early in the 2011 calendar year. Until that time, Vmoto has the capacity in its existing factory to meet the E-Max demand.

AUTHORISED BY:



Shannon Coates
Company Secretary

About Vmoto

www.vmoto.com and www.vmotold.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.