



26 September 2006

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Pages: 1

B DIGITAL LIMITED – SP TELEMEDIA LIMITED'S OFF-MARKET OFFER

B Digital Limited ("BBB") wishes to advise the following concerning the off-market takeover offer announced by SP Telemedia Limited ("SOT") on Monday, 25 September 2006:

1. BBB advises it was first made aware of SOT's intention to announce an off-market takeover offer to acquire all the shares in BBB it does not currently own on the morning of Sunday, 24 September 2006. BBB was formally advised of SOT's intention to announce the offer and the terms and conditions of the offer on the morning of Monday, 25 September 2006 when it received a letter of intention from SOT, a further copy of which is attached.
2. An ASX announcement informing the market of the proposed offer was made by BBB as soon as practicable after the receipt of information from SOT concerning the offer as required under ASX listing rule 3.1.
3. No earlier announcement was possible or required since BBB released the information it had received concerning SOT's offer to the market by making an ASX announcement as soon practicable after the information was received.
4. BBB believes that it is in compliance with ASX listing rule 3.1 which concerns continuous disclosure.

Yours sincerely
For and behalf of B Digital Limited

Harvey Farrington
Company Secretary



ASX

AUSTRALIAN STOCK EXCHANGE

25 September 2006

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Dear Harvey

B Digital Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with the Australian Stock Exchange Limited ("ASX") on 22 September 2006 advising the market that the Company's Board of Directors had not received any formal proposal or advice from SP Telemedia Limited ("SOT") in regards to any ownership increase in the Company (the "Announcement").
2. SOT's announcement lodged with ASX on 25 September 2006 advising of its intention to make an off-market offer (the "Offer") for all of the shares in SOT it does not already own (the "SOT Announcement").
3. The Company's announcement lodged with ASX on 25 September 2006 noting the Offer and recommending that shareholders take no action until they receive further advice from the independent committee of Board members (the "Second Announcement").

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. When did the Company first become aware of the proposed off-market takeover offer by SOT?
2. If this was before the Second Announcement was lodged with ASX, please identify any earlier announcement from the Company which disclosed the proposed off-market takeover offer by SOT.
3. If there was no earlier announcement, and the Company became aware of the proposed off-market takeover offer by SOT prior to the Second Announcement being released to the market on Monday, 25 September 2006, please advise why the information was not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
4. Please confirm that the Company is in compliance with listing rule 3.1.

If the above information is required to be disclosed under listing rule 3.1, your obligation is to disclose the information immediately. Otherwise, your co-operation in lodging a response to the abovementioned questions in a format suitable for release to the market would be appreciated before **9:30a.m. E.S.T on Tuesday, 26 September 2006**.

Your response should be sent directly to me on **facsimile number (02) 9241 7620** or by **email at johnathon.matthews@asx.com.au**. Your response should not be sent to the Company Announcements Office.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading on Tuesday, 26 September 2006, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries or concerns, please contact me immediately.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Matthews', with a horizontal line underneath.

Johnathon Matthews
Adviser, Issuers (Sydney)
Direct Line: (02) 9227 0656