

Investment Statement for an Investment Company for a Self Managing Wireless Network, High Speed Communications, Application Generator, and Business System called the IBL Technology

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The promoter of this offer is:

Robert South
C/o Development Systems Ltd.
P. O. Box 302074
North Harbour Postal Centre
Albany
Auckland
New Zealand
Cell: +64 25 237 1597
Tel: +64 9 427 9948
Fax: +64 9 415 3197

Sections within this prospectus

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Companies Office, Securities Division is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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Summary Information

Our Investment Statement and Prospectus focuses exclusively on the substance of the IBL Venture. The IBL Venture is to enable the non-computerised segment of society to partake in the information age, while still supplying the computerised segment with real-time, validated, and pertinent information.

We have attempted to show how the returns for the Investment Company are derived while not going into too much detail on how the business of IBL works.

This unfortunately causes a number of problems: - how to describe how simple the business is able to be performed because of the technology available to us - while not letting our competition know what we're about to unleash upon them.

We have attempted to supply as much information as needed for an informed decision in regard to this investment, it is after all the first of two public releases of shares in regard to the IBL approach to the Information Age.

The "IBL Investment Company" has pre-sold all its shares. The companies or trusts that presently own shares will be releasing their securities, as they need their own internal funding.

The first release will be from FinanceIBL Ltd., to enable The Development Group to develop further: -

- the business plan for the IBL group of companies,
- the products from Development Systems,
- the licenses for Development Systems,
- the Intellectual Protection for the IP Trust,
- bring to a test market in New Zealand the products and services known as KILOWare™.
- And start the branding for IBL, in the form of the following:
 - TransportIBL™
 - HomeIBL™
 - CommerceIBL™
 - IndustrialIBL™
 - SecureIBL™
 - HealthIBL™
 - EducateIBL™
 - TrustIBL™
 - Wide'R'Band™
 - KISS™

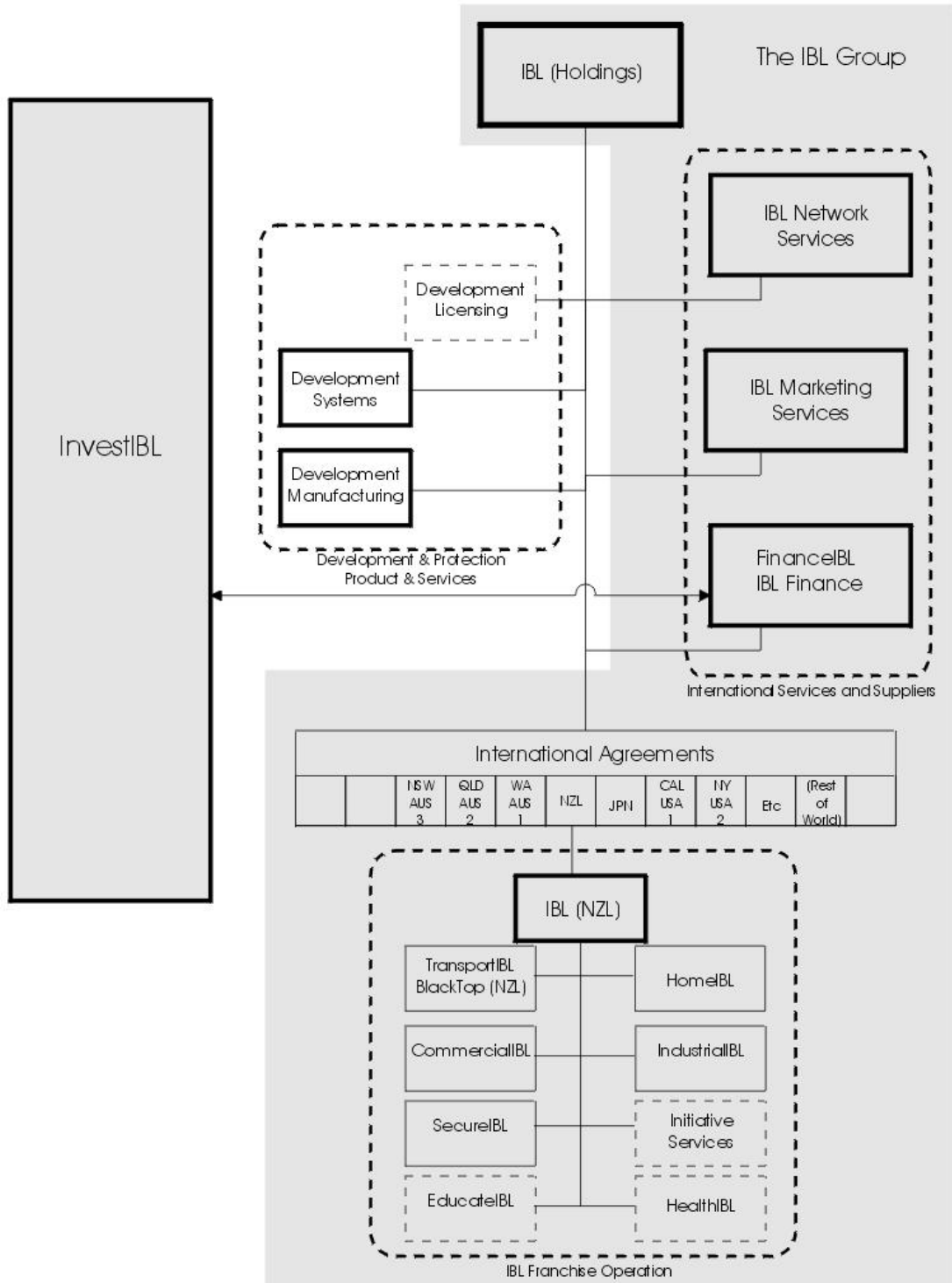
Our second release will be from FinanceIBL Ltd. and IBL Trustees Ltd. (if required) to supply our end users with the required equipment and cost.

Our World Wide Web Site presents more detailed background information about our business, IBL's markets, and our technology. We invite you to visit this site to gain a better understanding of our venture. Our site allows you to make comments, ask us questions, and find our replies to questions asked by other visitors. Your views are valuable to us. You will find our site at: <http://www.investibl.co.nz/>

May 1999

**ANTICIPATED
COMPANY STRUCTURE**

IBL Company Structure



This pictorial represents how the companies mentioned in the following proposal relate to each other, and where they fit in the scheme of the IBL Group of companies

Investment Statement

This is an investment statement for the purpose of the Securities Act 1978 and associated securities regulations 1983 prepared as at 16th October 1999 for InvestIBL Ltd ("the Company"). The Company is incorporated under the Company Act 1993 (AK/971822, 30th July 1999).

The purpose of this investment statement is to provide certain key information to assist a prudent but non-expert person to decide whether or not to subscribe for the shares in the Company under this offer, and to bring to the attention of prospective investors the fact that other important information about this share issue and the offer terms is available to you in other documents, including the Prospectus dated specified date and registered under the Securities Act 1978. You are entitled to a copy of this Prospectus on request.

The securities and Companies Acts are statutes under the law of New Zealand. Copies of these Acts can be found at:

<http://www.knowledge-basket.co.nz/gpprint/acts/reprint/text/1978/an/103.html> and
<http://www.knowledge-basket.co.nz/gpprint/acts/public/text/1993/an/105.html>
respectively.

Important Information for Investors

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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Choosing an investment adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- Whether the adviser gives advice only about particular types of investments;
- Whether the advice is limited to the investments offered by one or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit for advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within five (5) working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition:

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

What sort of investment is this?

InvestIBL Ltd is an investment company established for the sole purpose of funding the introduction of the technology, system, and services to develop and commercialise the IBL approach to the world market

Up to 7,000,000 ordinary shares in InvestIBL Ltd are offered at an issue price of NZ\$2 per Share.

Allotment of the shares will proceed as soon as practicable following receipt of application. Allotment will be on a "*first come, first serve*" basis. However, the Company reserves the right to reject or accept any application in full or in part only, without assigning any reason. Monies relating to the applications declined will be refunded (without interest) to the applicants. Receipts for application monies will not be issued, unless paid by Electronic Funds Transfer (EFTPOS); the banking of a cheque will constitute an acknowledgment.

Who is involved in providing it for me?

Issuer and Promoters

The issuer is:

FinancelBL Ltd.
P.O. Box 302-074
North Harbour Postal Centre
Auckland
New Zealand.

The Promoter of this offer is also a Director of the Company for the purpose of Section 2 of the Securities Act 1978. He is:

Robert South, 33 Sunvalley Rd., Hatfield Beach, Orewa, Auckland, New Zealand.

The above can be contacted through the Company's office.

Activities of the Company

The Company is the finance company for IBL. Which is the developer of advanced Wide'R'Band™ multimedia network and telecommunications technology. The core technology is called KISS™. The KISS™ technology includes methods, software and equipment which are being designed to establish, operate and maintain large networked systems. IBL networked systems are self-managing and evolving and are based on a new approach to Network Management through the use of an in-built form of Distributed Artificial Intelligence (DAI).

Patents are pending in New Zealand. Following on from this initial filing, the Company intends to protect its technology worldwide through patent applications in all relevant countries, and in particular through the PCT process (Patent Co-operation Treaty). The IBL technology has applications in a wide range of areas, such as computing, industrial production, commerce, education, entertainment, health, and, especially, telecommunications.

The preferred application of IBL is wireless. The Company intends to license its technology, firstly under its own Licensed Holders Franchise System, and it may later offer the core of the technology to developers and operators of networks and telecommunication systems worldwide.

How much do I pay?

Minimum Subscription

Shares are issued at \$2.00 each and must be fully paid on issue. An investor must subscribe for at least 500 shares. The low level of minimal subscription was specifically chosen to make investment easily affordable to large categories of final customers, and to give them an opportunity to become involved in a type of venture they normally would not have access to. Over the next two years a decision will be made by the directors of InvestIBL Ltd as to whether to publicly list the shares on the USA NASDAQ or maintain the present system of share trading available on the Internet through the companies own share trade pages.

Payment Details

The following payment options are open to prospective investors:

- Investors can conduct the whole investment transaction on the World Wide Web by either down-loading the form and mailing their payment, or interactively through the InvestIBL Web site by using their credit card (<http://www.investibl.co.nz/share>).
- Alternatively, investors can sign and return the Application Form included with the Prospectus, specifying the number of shares subscribed for and including a cheque crossed "*Not Transferable*" made out to InvestIBL Ltd for the full amount of the subscription issue requested.

An application lodged by a Company must be executed in accordance with its Constitution or under a Power of Attorney (which must be submitted with the application for notation and return). If executed under Power of Attorney, the Attorney must state that at the time of execution, and that the Attorney had no notice of revocation of the Power of Attorney pursuant to which execution is made.

When subscribing by mail, please direct Application Forms and Payments to:
FinanceIBL Ltd. ,
P.O. Box 302-074,
North Harbour Postal Centre,
Auckland,
New Zealand.

What are the charges?

There is no charge on share capital subscribed.

What returns will I get?

Shareholders will be entitled to receive any dividends paid by the Company. It should be noted, however, that in the USA, which is the main reference market for ventures like InvestIBL, most software and network technology suppliers usually do not distribute dividends. Instead they focus on capital gain. This method involves a series of share splits. Investors can realise the benefits of their investments by trading parcels of shares.

In keeping with this practice, we will be making shares available for trade during the course of the next two years. This practice also gives investors an Exit Strategy, enabling them to realise a capital gain when they see fit. This will initially be hosted on the companies' own pages via the web and the company may eventually seek a listing on the NASDAQ exchange.

As the venture develops and its share values reach maturity over an estimated five-year period, these listings will make it easier for shareholders to trade shares and realise any capital gain. In the view of the Company, in technology development ventures similar to InvestIBL, typically, significant capital gains can be realised at an earlier date than the venture is able to distribute dividends. The Company considers that the main factor that will affect capital gains prior to full commercialisation of the technology is the ability of the venture to achieve its planned development milestones.

At the date of preparation of this Investment Statement no specific amount of returns is quantifiable and can be promised, and no date can be specified as to when returns from the securities in the form of dividends will be due and paid.

At present New Zealand does not have any capital gain tax.

DILUTION

Dilution is the difference between the offering price of \$2.00 per share for the common stock offered hereby, and the net tangible book value per share of common stock immediately after its purchase. The Company's net tangible book value per share of Common Stock is calculated by subtracting InvestIBL's total liabilities from its total assets less intangible assets, and then dividing by the number of shares then outstanding. The net tangible book value of InvestIBL, based on the August 1, 1999, unaudited financial statements was \$7,000.00, or approximately \$0.00 per share of common stock. Assuming no changes in net tangible book value subsequent to August, 1999, other than those resulting from the sale of all the common stock offered hereby, the post offering pro forma net tangible book value of InvestIBL would be \$14,000,000, or approximately \$0.20 per share, representing an immediate increase in net tangible book value of \$0.20 per share to existing stockholders and an immediate dilution of \$1.80 per share or (90%) to new investors. The following table illustrates the foregoing information with respect to dilution of new investors on a per share basis.

Offering price per share	\$2.00
Net book value per share prior to offering	\$0.00
Increase attributable to purchase of shares by new investors	\$0.20
Post offering pro forma net book value per share	\$0.20
Dilution to investors in this offering	\$1.80

Assuming InvestIBL can sell only the minimum 625,000 shares, the post offering pro forma net tangible book value of InvestIBL would be \$1,250,000 or approximately \$0.02 per share, representing an immediate increase in net tangible book value of \$0.02 per share to existing stockholders and an immediate dilution of \$1.98 per share or (99%) to new investors. The following table illustrates the foregoing information with respect to dilution of new investors on a per share basis.

Offering price per share	\$2.00
Net book value per share prior to offering	\$0.00
Increase attributable to purchase of shares by new investors	\$0.02
Post offering pro forma net book value per share	\$0.02
Dilution to investors in this offering	\$1.98

The following table illustrates the pro-forma proportionate ownership in InvestIBL, upon completion of the offering of present stockholders and of investors in this offering, compared to the relative amounts paid and contributed to capital of InvestIBL by present stockholders and by investors in this offering, assuming no changes in net tangible book value other than those resulting from the offering.

	Shares Owned	Cash Paid	Percent	Price / Share
Present Stockholders	70,000,000	\$7,000	90%	\$0.0001/share
New Investors-Maximum	7,000,000	\$14,000,000.00	10%	\$2.0000/share
Present Stockholders	70,000,000	\$7,000	97%	\$0.0001/share
New Investors-Minimum	625,000	\$1,250,000.00	3%	\$2.0000/share

USE OF PROCEEDS

The net proceeds to InvestIBL from the sale of common stock offered hereby at an offering price of \$2.00 per share are estimated to be \$14,000,000.00 if the maximum is sold, and includes estimated offering expenses of \$100,000.00 for legal, accounting and printing in connection with the offering. The company does not expect to pay sales commissions or other compensation in connection with the offering because the common stock will be offered and sold by InvestIBL through its Officers and Directors who will not be compensated for their sales efforts. The net proceeds will be used principally to provide for research and development activities and working capital during the initial commencement of operations as follows:

Maximum Share Sell			
PURPOSE		AMOUNT	Estimated Percent of PROCEEDS
Research and Development Activities*		5,727,700.00	41%
Salary Expense*		3,525,600.00	25%
Parts and Supplies Expense*		2,380,000.00	17%
Office Expense*		1,326,700.00	9%
Sales and Marketing Expense*		500,000.00	4%
Travel Expense*		540,000.00	4%
	TOTAL*	14,000,000.00	100%

* The expected expenses for the 12 months following the successful completion of this Offering.

If InvestIBL is only able to sell 625,000 shares, the net proceeds to InvestIBL would be estimated to be \$1,150,000 and includes estimated offering expenses of \$100,000.00 for legal, accounting and printing in connection with this offering. The following summary reflects how IBL intends to use the proceeds if they are able to only sell 625,000 shares.

Minimum Share Sell			
PURPOSE		AMOUNT	Estimated Percent of PROCEEDS
Research and Development Activities*		486,720.00	39%
Salary Expense*		367,250.00	29%
Parts and Supplies Expense*		95,511.25	8%
Office Expense*		75,518.75	6%
Sales and Marketing Expense*		145,000.00	12%
Travel Expense*		80,000.00	6%
	TOTAL*	1,250,000.00	100%

The foregoing represents management's current estimate of how the proceeds of this offering will be used and is subject to change based on changing circumstances and differing needs of the company as they may exist in the future. InvestIBL may reallocate the proceeds within the above-described categories or to other purpose in response to, changes in its plans, industry conditions, and the company's future revenues and expenditures.

We believe that the net proceeds from the sale of the common stock offered hereby (assuming that all shares offered are sold) will provide the company sufficient capital to fund initial operation, development and expansion of the company's business for approximately the first 12 months following completion of this offering. Many factors may affect the company's cash needs, including the possible failure to develop sufficient revenues from the sale of its products. InvestIBL may not have sufficient capital for its funding requirements and may be unable to find suitable financing on acceptable terms. If InvestIBL is unable to obtain such additional financing, our ability to maintain its level of operations could be materially adversely affected and the company may not succeed. This event would significantly increase the risk of loss to those persons who invest in this offering.

If less than all the shares are sold, the net proceeds to the company will be reduced and the allocations presented will have to be substantially revised. The likely effect of any reduction in the net proceeds received will be to lengthen the time it takes us to develop additional products, delays in the introduction of our products to market and the possible need for InvestIBL to seek additional funding earlier than otherwise planned.

Any portion of the net proceeds not required for immediate expenditure will be deposited in InvestIBL's corporate checking account, interest-bearing accounts or invested in short-term government notes, treasury bills, or short-term obligations of financial institutions.

What are my risks?

RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to the other information in this document, you should carefully consider the following risk factors in evaluating an investment in our common stock.

Risks

This offering involves a degree of risk. Factors affecting the investment and that involve risks are discussed in this section and also in the Prospectus. This section and the Prospectus should be thoroughly studied. Prospective investors should carefully consider the risks relating to the Company, its business and this offering.

The principal risks for investors are that of being unable to recoup their original investment, and not receiving the returns referred to above in the Section "What returns will I get". This could happen for a number of reasons, including:

- The business operations of the Company are not successful due to unforeseen obstacles, cost overruns or development delays, preventing the Company from achieving its aim of licensing the IBL technology as planned. In such an event the Company would seek other alternatives, including the sale of its technology to assist in the recovery of the present investment.
- The price at which investors are able to sell their shares being less than the price they have paid due to market volatility or for other reasons, or investors are unable to sell their shares. The company considers that shares in software and network technologies are holding better than many others in the current troubled economic climate. There is no way of fully ensuring against the risk that, at any one time, investors would be unable to sell their shares for more than the price they have paid.
- The Company being placed in receivership or liquidation and the value of its assets not being sufficient to repay to investors the issue price of the share they would have bought. At present the Company has no debt, and its planned budget for the 1999 development phase is well within the total amount the present share issue seeks to raise. This risk thus concerns essentially the ability of the Company to achieve its planned milestones, and source the funds it needs to complete its development work in the medium term.

An investor will not be required to pay more money in respect to the shares on offer other than the issue price set out under "How much do I pay", or in case the Company were to become insolvent.

At the date of this Investment Statement there are no other claims on the assets of the Company that rank ahead of, or may rank equally with, the claims of shareholders in the event of the Company being put into liquidation or wound up. In such a case, all shareholders would rank equally with each other. In the case of the Company being put into liquidation or wound up, the claims of any unsecured creditors will rank ahead of the claims of shareholders.

The main risk factors known to the Company are presented in the Prospectus and also reviewed as follows.

Before the venture can reach a point where it can commence earning revenue a number of development stages must be successfully carried out. Any investment in the company should therefore be considered to be speculative. Financial forecasts of expenditure for the 18 months ending 31st March 2001 are provided in this Prospectus. Some of the current risks facing an investor are:

Start-Up Company With Limited Operating History.

The IBL group was only recently incorporated or in fact is still being incorporated, it has no significant assets, no current business operations nor any history of operations and is considered to be a development stage enterprise. There is absolutely no assurance that the Company will be able, upon completion of this Offering, to successfully implement its proposed business or that it will ever operate profitably.

Risk of New Product Development.

IBL may experience difficulties that could delay or prevent the development, introduction and marketing of its products. The Company will be dependent upon products that will be developed. There can be no assurance that the company will be able to develop, introduce or market its products or that problems will not be found in the Company's products or that we will be able to reduce our technology into products that will be commercially successful. If the Company is unable on a timely basis to develop new products or enhancements to existing products, or if its products do not achieve market acceptance or commercial success, the company's business, operational results and financial condition will be materially adversely affected and investors could lose their entire investment.

Lack Of Active Market For Common Stock.

No open-public market exists for InvestIBL's common stock, only the share trade pages supplied on our web site. It is anticipated that the common stock will be quoted on the NASDAQ Board system upon completion of this Offering. However, there can be no assurance that any market will develop for the securities or that if a market does develop, that it will continue. Accordingly, you may not be able to sell your shares promptly or at all, or sell your shares at a price equal to or above the price you paid for the shares.

Dependence on Patent Protection.

The technology for developing IBL's products will be protected by a series of patents and other Intellectual Protection (IP) exclusively assigned to the protection company set up for this purpose.

There can be no assurance that any of our future patent applications will be granted, that any current or future patent or patent applications will provide significant protection for our products or technology, be of commercial benefit or that the validity of such patents or patent applications will not be challenged. Moreover, there can be no assurances that foreign patent, trade secret or copyright laws will protect our technologies or that we will not be vulnerable to competitors who attempt to copy or use the company's products or processes.

Benefits To Present Stockholders/Disproportionate Risks.

The Officers, Directors and other companies in the group collectively have paid a total price of \$7,000.00 for the 70,000,000 shares of InvestIBL Ltds' common stock. Investors in this offering will pay a total purchase price of \$14,000,000, assuming all 7,000,000 shares are sold, the offering and directors will own 90% of the outstanding shares and investors in this offering will own 10% of the outstanding shares. Investors in this Offering will contribute to the capital of the company a disproportionately greater percentage than the ownership they receive. Present stockholders will benefit from a disproportionately greater share of the company, if successful, while investors in this offering risk a disproportionately greater loss of cash invested if the company is not successful.

Governmental Regulations and Industrial Standards

IBL's products will be subject to numerous governmental regulations designed to protect the health and safety of consumers and the environment.

We believe that our products will comply with all applicable material governmental health and safety regulations and standards. However, there can be no assurance that our products will comply with all applicable regulations and standards. Because the future scope of these and other regulations and standards cannot be predicted, there can be no assurance that we will be able to comply with all regulations or industry standards. Non-compliance could result in governmental restrictions on sales or reductions in customer acceptance of our products. Compliance may also require significant product modifications, which may result in increased costs and impaired product performance, which will adversely affect the company's profitability.

No Underwriter.

IBL has not engaged the services of an Underwriter. Thus, the independent due diligence review of the Company, its affairs and financial condition, which would ordinarily be performed by an underwriter, has not been performed. Furthermore, lack of underwriter or broker/dealer participation in the offering is likely to increase the risk that no market for the company's securities will develop upon completion of the Offering.

Arbitrary Determination of Offering Price.

The \$2.00 offering price of the common stock was arbitrarily determined by management of the company and was set at a level substantially in excess of the price recently paid by management for their shares of common stock. The price bears no relationship to the company's assets, book value, net worth or other economic or recognised criteria of value. The public offering price should not be regarded as an indicator of value or of any future market price of the company's securities.

Use Of Offering Proceeds To Pay Debts To Officers And Related Parties.

A series of loans and obligations have been entered into by the Director of InvestIBL Ltd. These have occurred over many years of product development. All debts belong to Robert South, not the company. All debts have been covered by releasing some shares

prior to this public release into Family Trusts for the benefit of those parties that have helped get the IBL Technology this far.

Competition.

There can be no assurance that we will be able to compete successfully against current or future competitors or technologies or that competitive pressures faced by IBL will not materially adversely affect its business, operating results and financial condition. Many of our competitors have the financial resources necessary to enable them to withstand substantial price and product competition, to implement extensive advertising and promotional programs, and to introduce new products. The industry is also characterised by frequent introductions of new products. IBL's ability to compete successfully will depend on its ability to anticipate and respond to competitive factors affecting the industry, including new products, changes in customer preferences, demographic trends, pricing strategies by competitors and consolidation in the industry where smaller companies with leading edge technologies may be acquired by larger multinational companies.

Some of our competitors have greater financial, marketing and manufacturing resources. This, together with the limited capital available to IBL, which will limit its marketing effort, creates a significant competitive disadvantage. If we are not able to compete successfully, regardless of the quality of our products and the success of this offering, we will have little chance of succeeding and it is likely investors will lose their entire investment.

We believe that our technology is unique and provides us with the ability to compete successfully. However, there can be no assurance that we will be able to become profitable or successfully market our products or implement our business plan. Competition will be based on many factors including price, and the quality of products and service.

If Only 625,000 Shares Sold, IBL May Not Have Sufficient Capital.

If all 7,000,000 shares are sold, we believe we will have sufficient capital to fund operations for at least approximately twelve months following this offering, but there can be no assurance that unexpected costs will not arise. However, if only 625,000 shares are sold, IBL may not have sufficient capital to fund operations. In addition, InvestIBL may be unable to find additional suitable financing on acceptable terms. Therefore, if only 625,000 shares are sold, IBL's operations will likely be adversely affected and we may not be able to undertake any of the projects or operations described in this prospectus, which may result in an entire loss of any amounts invested.

No Commitment To Purchase Common Stock.

No commitment exists by anyone to purchase any of the common stock offered. Consequently, no assurance can be given that any common stock will be sold or that even the minimum 625,000 shares will be sold.

Trust Account Holds Shares

The Amounts Paid For Shares Will Be Kept In A Bank Escrow (Trust Account) Until The Minimum Amount Has Been Sold.

If the Minimum 625,000 shares have not been fully subscribed within the allotted period after the effective date of this prospectus, all monies deposited in the escrow account will be refunded to the subscribers, without interest and without any deduction for expenses. During this period, purchasers will be subscribers and not shareholders of InvestIBL. During the Escrow Period, subscribers will have no right to a return of their payment.

Risk Of Low-Priced Shares.

Since our common stock will not be immediately listed on the NASDAQ and/or any Stock Exchange, it may become subject to USA Trading Rule 15g-9 under the USA Exchange Act. That rule imposes additional sales practice requirements on broker-dealers that sell low-priced securities to persons other than established customers and institutional accredited investors. For transactions covered by this rule, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. Consequently, the rule may affect the ability of broker-dealers to sell our shares and may affect the ability of holders to sell common stock in the secondary market.

Shares Eligible for Future Sale.

All shares of the company's common stock owned by the Officers, Directors and other companies in the group are "restricted securities" and may in the future be sold. Future sales of those shares could depress the market price of the common stock in any market that may develop. The current outstanding shares become eligible for sale on September 13th, 2000.

(Note:- the shares that are held by private trust's (the trust deeds) cannot be released on to the market until 12 months has passed – or the share price equals NZ\$100.00 per equivalent share, which ever occurs first)

No Dividends.

The Company does not currently intend to pay cash dividends on its common stock and does not anticipate paying such dividends at any time in the foreseeable future.

Human Resource Risk:

At present, the IBL technology is defined by way of patents pending, and through a detailed set of specifications. Methods of technology development, market analyses, market development and technology commercialisation methods have been carefully documented by Development Systems Ltd. However, a significant factor in the successful development of the technology and the IBL venture rests in the continued involvement of the inventor. Robert South is bound by contract and is fully committed to the successful development of the venture (refer to Clause 17, Material Contracts of the Additional Statutory Information Section of the Prospectus). The Company has secured a package of health and life insurance to protect itself against the risks attached to its present reliance upon this key person. As the venture progresses and new senior personnel are inducted in the development process through the funding sought under the present Prospectus, this human resource risk is expected to decrease. However, until full commercialisation is achieved this risk cannot be completely eliminated.

Intellectual Property Risk:

In the course of the initial patenting process, extensive patent searches were conducted involving over 3,000 patents in the fields of networks and telecommunications technology. While there are many new wireless network technologies currently being developed, no other technology was found embodying the same key principles. Further, great care was taken to avoid infringement or overlapping with prior art, and to draft patent specifications in such a way as to clearly delineate the originality of the IBL technology. The patenting process, however, will extend over a number of years. There is a risk that some aspects of the technology might be challenged or imitated by competitors. The Company will endeavour to reduce this risk through an ongoing process of intellectual property protection by way of copyrights, contractual agreements with partners and allies, and patenting specific applications of the core technology. Further, the very nature of the technology is such that, in terms of both hardware and software, the design makes reverse engineering to imitate the technology virtually impossible. However, the intellectual property risk also includes a financial component regarding the extra legal costs that might be entailed in defending the intellectual property rights. A related risk is that the technology might become superseded by new developments. Despite the radical nature of the new paradigm underpinning the technology, and ongoing research and development and monitoring of competing technology, such risks cannot be entirely eliminated.

Technology Implementation Risk:

While the technology is not easily copied or implemented (it would be available now if it was), with currently commercially available components, a significant amount of research and development remains to be carried out, in particular with respect to Hardware development to translate the head patent specifications into specific Chip functionality. There are always some unknowns in such a process. While the Company's implementation strategy is based on extensive technological and market research, there remains a level

of implementation risk, including the time that will be required to reach full commercialisation.

Future Equity Funding:

To complete the commercialisation process significant additional capital will be required beyond that provided from this present share issue. It is planned that the required funding will be raised through further issues of shares corresponding to the achievement of significant milestones in the development process, and the development of partnerships, and joint ventures for specific applications. As soon as a pilot demonstration of the technology has been achieved, it may be appropriate for the Company to seek a listing on the NASDAQ exchange to facilitate the raising of capital for the final development stage before full commercialisation, and make its stock more readily tradeable. Equity funding always entails a measure of risk, including the time that may be required to secure the necessary funding.

Another option still open – is that the present shareholders may be invited, as founding members, into the final International round of financing for the Lease companies finance.

Minimum Subscription Level:

In the event that the present share issue is not fully subscribed, the minimum subscription level has been set at \$1,250,000. This amount is considered sufficient by the Company to cover costs related to costs for the present share issue, ongoing KILOWare™ development by the inventor, the PCT patenting process, marketing of the technology, information to shareholders, and seeking alternative sources of funds. While the Company has singled out promising alternatives, securing alternative funding, however, cannot be guaranteed. In this event, the Company would extend the timetable for the development of the technology to full commercialisation. If the Company is unable to secure alternative funding, there is a risk that the project will be unable to be completed.

Can the investment be altered?

The full terms of offer are set out in the Prospectus. After an application has been accepted, those terms cannot be altered without investor consent. The rights attached to the shares are set out in the Constitution of the Company. Further, those terms cannot be altered without a special resolution of shareholders. You have rights under the Companies Act 1993 to require your shares to be bought back by the Company if any change to the rights attaching to your shares is approved by a 75% majority and you vote against the proposal.

How do I cash in my investment?

The rights of any party to terminate, cancel, surrender, or otherwise make or obtain payment of the returns from the securities, other than as described under "What returns will I get", are as set out in the Constitution of the Company.

Shares in the Company may be transferred by entry of the name of the transferee on the register of shareholders of the Company. A signed form of transfer must be delivered to the Company, which maintains the register.

The Board's right to refuse or delay registration as specified in the Company's Constitution are as follows:

(a) The Board may, within 30 working days of the receipt of a form of transfer of shares, refuse or delay the registration of the transfer if:

- (i) the holder of the shares has failed to pay an amount due to the company in respect of those shares;
- (ii) the provisions of any shareholders agreement entered into by the shareholders of the company beginning with pre-emptive rights have not been fully complied with or;
- (iii) the board considers that to effect the transfer would result in a breach of the law;
- (iv) the board considers that it is not in the best interests of the company to register the transfer; or
- (v) the form of transfer has not been properly executed or does not comply with section 10.2 (form of transfer).

(b) A resolution of the board to refuse or delay a transfer of shares must set out in full the reason for doing so, and a copy of the resolution must be sent to the transferor and transferee within 5 working days of the date of the resolution being passed.

Shareholders will be able to sell their shares subject only to compliance with the Company's Constitution, applicable securities laws and regulations and the continuance of an active trading market. This should include our ability to put buyers and sellers of our shares in touch with each other through our web site. As noted earlier, the Company may attempt to seek a listing on the NASDAQ exchange.

In the opinion of the Company, there is an emerging, and fast growing international market for equity in new technology ventures focusing on networks, Wide band communications, artificial intelligence, software and related integration development, all areas relevant to the IBL technology.

No charges are payable to the Company in respect of any sale, although brokerage and share registration fee may be payable.

Who do I contact with Inquiries about my investment?

Inquiries in relation to the present share issue may be made to the following:

The Managing Director,
InvestIBL Ltd,
P.O. Box 302-074,
North Harbour Postal Centre,
Auckland,
New Zealand.
Ph: +64-9-415 3182; Fax: +64-9-415 3197;
e-mail: <mailto:share@investibl.co.nz>; or at the Company's Web sites at
<http://www.investibl.co.nz/>

Specific inquiries concerning the registration and transfer of shares can be directed to:

Mr Robert South,
C/O Share Inquiries,
InvestIBL Ltd,
P.O. Box 302-074,
North Harbour Postal Centre,
Auckland,
New Zealand.
Ph: +64-9-415 3182; Fax: +64-9-415 3197;
e-mail: <mailto:share@investibl.co.nz>; or at the Company's Web sites at
<http://www.investibl.co.nz/>

Is there anyone to whom I can complain if I have problems with the investment?

Any complaint or query on any matter should be addressed to:

The Managing Director,
InvestIBL Ltd,
P.O. Box 302-074,
North Harbour Postal Centre,
Auckland,
New Zealand.
Ph: +64-9-415 3182; Fax: +64-9-415 3197;
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e-mail: <mailto:share@investibl.co.nz>; or at the Company's Web sites at <http://www.investibl.co.nz/>

No ombudsman is available to receive complaints about this investment.

What other information can I obtain about this investment?

Other information relating to the Company, and the present share issue, can be found in the Company's Prospectus, its Financial Statements, and the Company's Constitution, which are all available free of charge to shareholders, and to prospective investors, on request.

These items may be obtained by contacting:

The Managing Director,
InvestIBL Ltd,
P.O. Box 302-074,
North Harbour Postal Centre,
Auckland,
New Zealand.

Ph: +64-9-415 3182; Fax: +64-9-415 3197;

e-mail: <mailto:share@investibl.co.nz>; or at the Company's Web sites at <http://www.investibl.co.nz/>

A copy of the Prospectus, Financial Statements, and Constitution, relating to the Company, is filed on a public register at the Companies Office, Ministry of Commerce, Auckland, and are available for public inspection. The address of the Companies Office is:

Companies Office,
Private Bag 92061,
Auckland Mail Centre,
Auckland,
New Zealand.

Ph: +64-9-912 7677; Fax: +64-9-912 7787.

The Company's financial year is presently 1st February to 31 January. Its first Annual Report will be available to shareholders during the second quarter of 2000.

Shareholders may request a copy of this Report, free of charge, at any time at the above address of the Managing Director.

In the future, the Company intends to issue further newsletters on a regular basis to keep all relevant parties informed of its activities. To sign up for this service see our website <http://www.investibl.com/news>.

Additional information on the Company, its technology and markets, is provided in the Float Information CD-ROM, and at the Company's main Internet World Wide Web site at: <http://www.investibl.co.nz/>