

18 November 2013

ASX/Media Release

KNeoWorld iTunes and Android App live with 9 Edugames

- KNeoWORLD iTunes and Android App live with 9 Edugames
- Tactical Education partner – Senior appointment in Malaysia
- The epic KNeoWORLD

Entellect Limited (**ESN** or the **Company**) is pleased to announce that its award winning KNeoWORLD iTunes and Android App is live with nine licensed Edugames. New and existing games from the KNeoWORLD browser-based library will be frequently added to the Apps, building up to approximately 40 of KNeoWORLD's most popular games.

Entellect, in conjunction with KNeoWORLD has spent the last 2 years developing the KNeoWORLD Edugames platform and is now fully implementing its marketing, distribution and monetisation strategy. The KNeoWORLD edugames business model is being executed initially in the USA via the US school Parent Teacher Association (**PTA**). The PTA sales and fund raising initiative is a collaboration with the USA National PTA organisation giving access to approximately 50,000 elementary and middle schools and 23 million students in our target market. KNeoWORLD will also be available direct to online consumers.

The iTunes App complies with the strict and recently updated Child Online Privacy Protection Act (**COPPA**). Compliance is achieved via a 'Parent Gate' PIN. All Apps marketed for children must be COPPA compliant to be published on iTunes.

A parallel strategy will focus on countries with large populations in the suitable demographic, and therefore compelling revenue potential. These countries will include South America, Europe and certain regions in Asia. Entellect has established tactical partners for all these jurisdictions.

Worldwide Game Based Learning (**GBL**) reached \$1.5 billion in 2012. Global growth rate is 8.3% and revenues will reach \$2.3 billion by 2017 - *Ambient Insight 2013*:

Game-based Learning by Region***	2012 Revenues in \$US Millions	2017 Revenues in \$US Millions	Five Year CAGR 2012-2017
North America	\$359.18	\$582.00	10.1%
Latin America	\$26.94	\$71.59	21.6%
Western Europe	\$96.98	\$113.49	3.2%
Eastern Europe	\$13.65	\$29.10	16.3%
Asia	\$1,029.43	\$1,475.01	7.5%
The Middle East	\$4.31	\$9.89	18.1%
Africa	\$17.96	\$28.52	9.7%
Total	\$1,548.44	\$2,309.60	8.3%

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Tactical Education partners – Senior Appointment

Entellect works with several tactical partners on portal testing, efficacy evaluation, content validation and curriculum review. The Company is pleased to advise one of its education consultants, Dr Tan Wee Hoe of **Universiti Pendidikan Sultan Idris (UPSI)** Malaysia, has been appointed as the Deputy Director (Creativity & Innovation) of UPSI. In his role, Dr Tan will lead animation and game production for the University, while promoting GBL in schools throughout Malaysia.¹ Dr Tan will focus on games that are related to Science, Technology, Engineering and Maths (STEM) education. He is an author on GBL in research magazines and journal papers and active in research lab web sites. Dr Tan has been a strong advocate of KNeoWORLD including exhibiting KNeoWORLD at the Malaysian Technology Expo 2013; endorsements from educationalists like Dr Tan add another dimension to KNeoWORLD's Edugames portfolio.

The epic KNeoWORLD

ESN's KNeoWORLD is a publishing house whose business revolves around selling engaging educational games through its www.KNeoWORLD.com games portal in the exciting education by entertainment games sector. Fun and compelling games that have inherent educational value are licensed from independent developers and sold via subscriptions for added value in-game items and benefits. This caters to the growing demand for low cost games that can be played and discarded. The games are then wrapped in the fun epic KNeoWORLD with additional activities and social interaction. The portal has been designed to include Apps for iPhones and iPads and the emerging dominance of Android smartphones and tablets (Samsung and many more). The consumer model enables initially Free-To-Play with a simple monthly subscription for broader access including added services, play levels and activities in KNeoWORLD. Player achievement is measured via proprietary educational metrics with games efficacy and validation provided by teachers, educators and universities.²

The KNeoWORLD strategy is to source, assemble, publish and market a library of games and apps while minimising development cost and risk. It also provides for the ability to continually update games library for player retention. In addition to the US PTA marketing initiative the Company will market virally using digitally optimised and analytical ecommerce platform such as Facebook, twitter, Google display ads/iTunes promotions and traditional PR techniques.

A KNeoWORLD presentation is attached to this announcement and is also available on the Company's website, www.entellect.com.au.

-Ends

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¹ In April 2013, Google announced that Malaysia will be adopting Google Apps for 10 million students, teachers, and parents.

² Numerous studies are available that confirm the acceleration of learning by the use of compelling games with educational content played electively as an adjunct to home and school work. Refer Articles in Parents Section at KNeoWORLD.com.

ENTELLECT LIMITED'S KNeoWORLD November 2013

“Worldwide game-based learning market reached \$1.5 billion in 2012. Global growth rate is 8.3% and revenues will reach \$2.3 billion by 2015.”

~ Ambient Insight 2012

We accelerate learning using compelling and fun online games infused with validated educational content, all embedded in a total virtual KNeoWORLD, to teach the higher order skills required by children to succeed in today's knowledge-based economy - we go beyond school and beyond homework.

Our goal is to become one of the world's leading game based learning publishers by 2015

~ Entellect Limited 2013

ESN Business Model Exec Summary

- ESN's KNeoWORLD is a publishing house whose business revolves around selling engaging educational games through its fun KNeoWORLD Games Portal in the exciting education by entertainment games sector.*
- Games that have inherent educational value are licenced from independent developers and sold via micro subscriptions for broader access including added services, play levels and activities in KNeoWORLD.
- Player achievement is measured via proprietary educational metrics with games efficacy and validation provided by teachers, educators and universities.

*Numerous studies are available that confirm the acceleration of learning by the use of compelling games with educational content played electively as an adjunct to home and school work.

ESN Business Model Exec Summary

(cont)

- The primary market is parents of 5-12 year old children (initially USA – but unrestricted and already worldwide) who by subscribing, give their children an educational advantage by playing fun and engaging games with validated educational content. The secondary market is the children themselves who want engaging games and more recently, young adults seeking new and interesting games and content
- Marketing is primarily via US school Parent Teacher Associations as a fund raising initiative and direct to online consumers via social media with the goal to build on the current strong following.

Guardians/Team



Andrew Plympton – Chairman

Andrew has enjoyed a long and successful career in business. Over the last twenty years, Andrew has served as Chief Executive Officer and Chairman of two global insurance broking firms' Asia Pacific operations, and more recently appointed to the Australian Advisory Board of AON Group. Andrew currently serves as Chairman of Beyond Sportswear International Ltd, AdEffective Limited and Entellect Limited, and as Director of Newsat Limited and Energy Mad Limited. Andrew is also an Executive Member of the Australian Olympic Committee, a Director of the Australian Olympic Foundation and appointed to the Commonwealth Government Corporation and the Australian Sports Commission (inc Australian Institute of Sport) and chairs it's Audit, Finance and Governance Committee.



James Kellett - CEO & Executive Director

Appointed a Director and Chief Executive Officer of Entellect Limited in December 2010. James has over 30 years' experience in business management and has held senior executive positions in the finance and communications industries, including ASX listed companies. James is founder and Managing Director of Furneaux Equity Limited, is an Associate of the Financial Services Institute of Australasia and brings very substantial business management, direction and governance skills to the Board.



Jeff Bennett – Non Executive Director

Jeff is currently CFO for UXC Professional Solutions Pty Ltd, a subsidiary of ASX listed UXC Limited, Australia's largest IT services provider. He is also a non-executive director of Jameson Resources Limited. He has more than 25 year experience in the resources, transport, IT and service industries and brings significant experience to the Company in corporate finance, capital markets, acquisitions, divestments and risk management.



Matt Seeney - Senior Vice President Business Development and Gameology, KNI

Matt holds a BSc in Computer Games Technology, a PGDip in Entrepreneurship, is an Enterprise Fellow of the Royal Society of Edinburgh and a former winner of Shell Livewire's "Young Entrepreneur of the Year Award" in the UK. Matt founded Team Play Learning Dynamics, which became the most successful Games-based Learning company in the UK with a team of 22 staff that developed over 25 games, including the award-winning Infiniteams, and several \$1m+ commercial projects. Matt produced Play2Improve, a forward-looking venture that used innovative learning technologies such as real-time coaching and assessment within the entertainment games sector to deliver a training platform for competitive online multiplayer games.

Guardians/Team



Professor Laurie O'Donnell - Learning and Curriculum Development Consultant

Laurie has 25 years of experience as a teacher and school senior manager within local government and at a national level in Scotland. Since 2009 he has been an independent adviser/consultant focusing on learning, technology and innovation. Until 2009 he was Director of Learning and Technology at Learning and Teaching Scotland (LTS). He was responsible for enabling and sponsoring innovative projects to introduce new technologies for learning, including computer games, across Scotland's classrooms. He joined LTS in 2001 as Head of Future Learning and Teaching. He was honoured in 2008 for his work at LTS by the George Lucas Educational Foundation and was named in Edutopia Magazine's prestigious "Global 6" for that year. He is a visiting professor of learning innovation and technology within the University of Abertay School of Arts, Media and Computer Games.



Noah Falstein – Monetization Design Consultant

In April 2013 Noah was appointed Chief Games Designer, Google and as a consultant to Knowledge Nation, designed the KNeoWORLD monetization system currently being implemented. Noah has been in the computer game industry since 1980 with many hit title credits and work experience at major developers like LucasArts, 3DO, and Dreamworks Interactive. He also lectures and conducts seminars on game design and development, for both traditional and serious games. His specialties are game design and monetization, game production, interactive entertainment business development, serious games, training, interactive education, eLearning, casual ad social games. His clients include Intel, Cisco, Disney, Dreamworks, Microsoft, JoWood, LucasArts and Cavedog Entertainment as well as Knowledge Nation.



Dr. Wee Hoe Tan – Games-based Learning Consultant, Asia.

Wee Hoe is a senior lecturer from the Faculty of Art, Computing and Creative Industry, Sultan Idris Education University (UPSI), Malaysia and President of the Malaysian Games-based Learning Association. In 2008, Wee Hoe received a fellowship from the Malaysian Ministry of Higher Education and UPSI to pursue a doctorate in game-based learning (GBL) at the Institute of Education, University of Warwick, UK and completed his PhD in early 2011. Returning to Malaysia Wee Hoe was appointed as the coordinator to design and develop the Bachelor of Design (honors) in Digital Games program. He has initiated an exploratory study on teachers and teacher trainers' perception of GBL, and supervises a number of Master's and doctoral research projects. He is currently a member of the editorial board of the International Journal of Game-based Learning.

Tactical Partners

Our Community School – Harlem, New York

Supervised games portfolio and portal testing - qualitative and quantitative analysis in onsite specialist student computer lab.

Bank Street Teachers College – New York

Independent efficacy evaluation plus Content and curriculum review of alignment to latest teaching methods of educational games embracement.

Boise State University Educational Games Faculty – Boise, Idaho

Validation of KNeoWORLD content and learning efficacy in student education from a teachers view point.

University of Abertay School of Arts, Media and Computer Games - Scotland

Validation of KNeoWORLD content and learning efficacy in student education from a teachers view point.

Sultan Idris Education University – Malaysia’s primary teacher training university

Consulting services by Senior Lecturer Dr. Wee Hoe Tan (PhD in Games-based Learning). Validation of KNeoWORLD content and learning efficacy in student education..

Amazon Web Services – Seattle, Washington State

KNeoWORLD portal hosting

PayPal – San Jose, California

Merchant services

iTunes & Google Play Store

World Wide Game Based Learning

2012-2017 Worldwide Game-based Learning Market

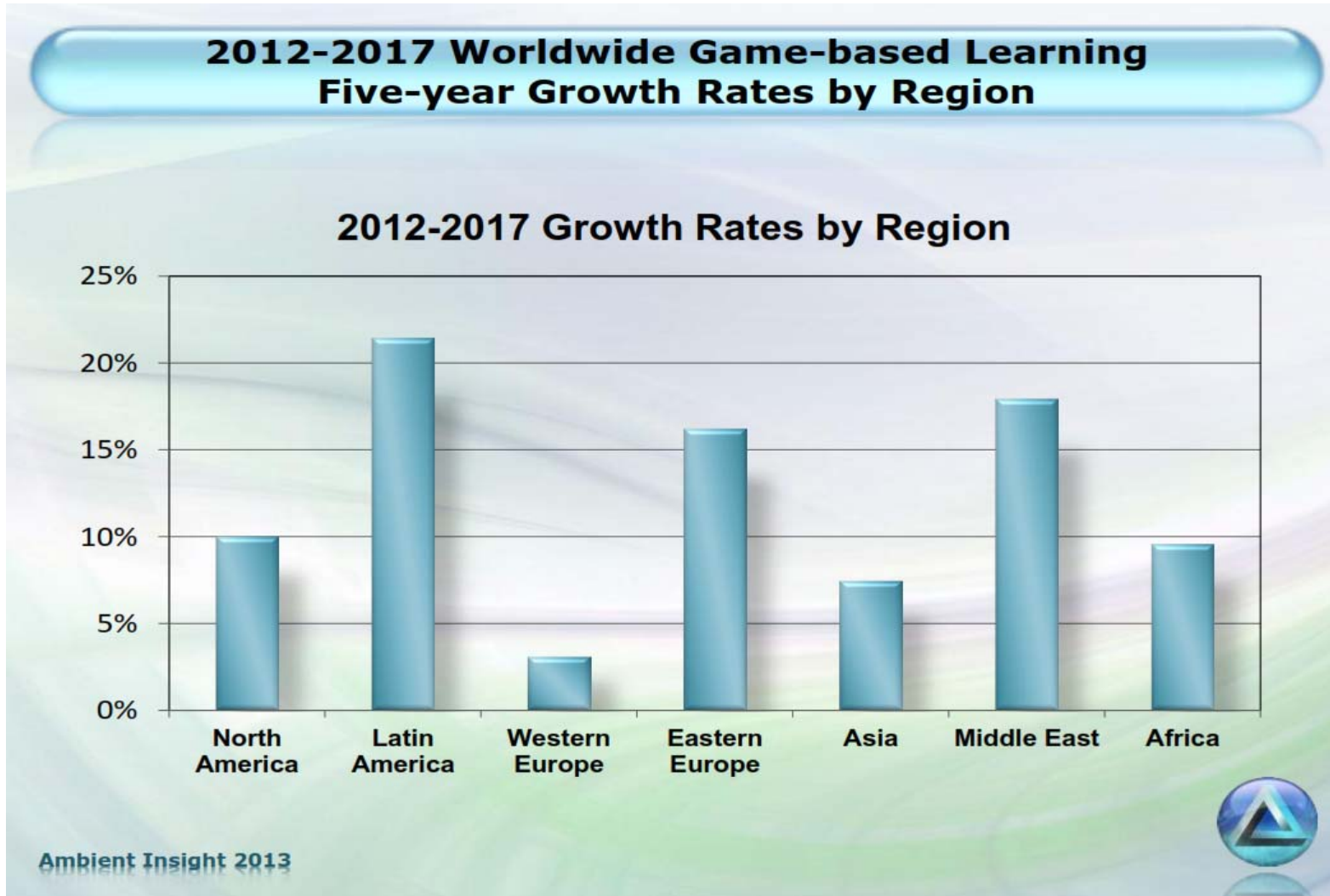
The Worldwide Game-based Learning market reached \$1.5 billion in 2012. The global growth rate is 8.3% and **revenues will reach \$2.3 billion by 2017.**

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*** Includes custom content development services revenue



World Wide Game Based Learning



US Game Based Learning

2012-2017 North America Edugame Forecast: All Roads Lead to Mobile

- Revenues for mobile edugames reached \$190.5 million in 2012. The growth rate (CAGR) is 15.3% and revenues will **more than double to** \$388.2 million by 2017
- In contrast, revenues for PC/Web/Console edugames are in relatively steep decline

North America Edugame Delivery Platform*	2012 Revenues in \$US Millions	2017 Revenues in \$US Millions	Five Year CAGR 2011-2016
Mobile Edugames	\$190.56	\$388.02	15.3%
Non-mobile Edugames	\$117.02	\$71.93	-9.3%
Total	\$307.58	\$459.95	8.4%

**Does not include custom content development services revenue*

Ambient Insight 2013



10 Benefits of Game Based Learning

1. Better learning.

It is quite simply easier to learn when you are having fun, immersed and focused.

2. Improved motivation and engagement.

The best games capture and maintain your interest.

3. Instant feedback on performance.

Immediate feedback on performance – and what you need to do next to improve.

4. Personalized learning.

Games offer a highly personalized experience, which allows you to learn at your own pace.

5. Collaborative learning.

Learning to share resources and to co-operate as well as compete individually.

6. Problem solving.

Formulate and test different strategies and identify the most successful path.

7. Decision making.

Quickly evaluate your options and make the right decisions – just like real life!

8. Building Resilience.

Games offer a safe environment to learn from your mistakes and pick yourself up and try, try, try again.

9. Deep learning.

Rather than just memorizing facts apply your creativity and explore your imagination.

10. Recognition of achievement.

Leaderboards and scores map out your progress and highlight successes.

ESN & the Educational Games Sector

- ESN with KNeoWORLD has spent the last 2 years developing the KNeoWORLD platform and is now commencing marketing, distribution and monetization
- KNeoWORLD is being marketed initially in the US
- no restriction to other regional access and substantial traffic already received from China, South America and Europe
- A parallel strategy will focus on countries with large populations in the suitable demographic and therefore compelling revenue potential. These countries will include South America, Europe and certain regions in Asia. Entellect has established tactical partners for all these jurisdictions.

Educational Games Market has Changed

In the past traditional electronic educational games were overly complex and failed as they became too expensive to produce and sell.

- Game development costs went from \$25-\$50k to \$15-\$30m
- Games could not be evaluated until launched = too late
- There now are many independent developers of low cost quality games with an inability to publish

The growing market demand is for low cost games that can be played and discarded

- Challenge & Opportunity: source, assemble, publish and market a library of games and apps while minimizing development cost and risk

KNeoWORLD Advantage

www.KNeoWORLD.com Games Portal is a new product offering

- License fun & compelling new games economically with minimal risk
- Augment with educational content validated by educators and add achievement measurement tools
- Wrap in a fun WORLD with additional activities and social interaction
- Provide Apps for iPhones and iPads and the emerging dominance of Android smartphones and tablets (Samsung and many more)
- Enable initial Free-To-Play with simple monthly subscriptions for broader access to added services, play levels and activities in KNeoWORLD

KNeoWORLD Advantage

Publish a constantly evolving games library:

- Inexpensive fun & compelling games optimised for young users and wrapped in an epic WORLD
- Micro payment for rapid customer acquisition
- Continually update games library for player retention

Market virally using digitally optimised and analytical ecommerce platform:

- Facebook
- twitter
- Google display ads/iTunes promotions
- Traditional PR

PTA Market Advantage

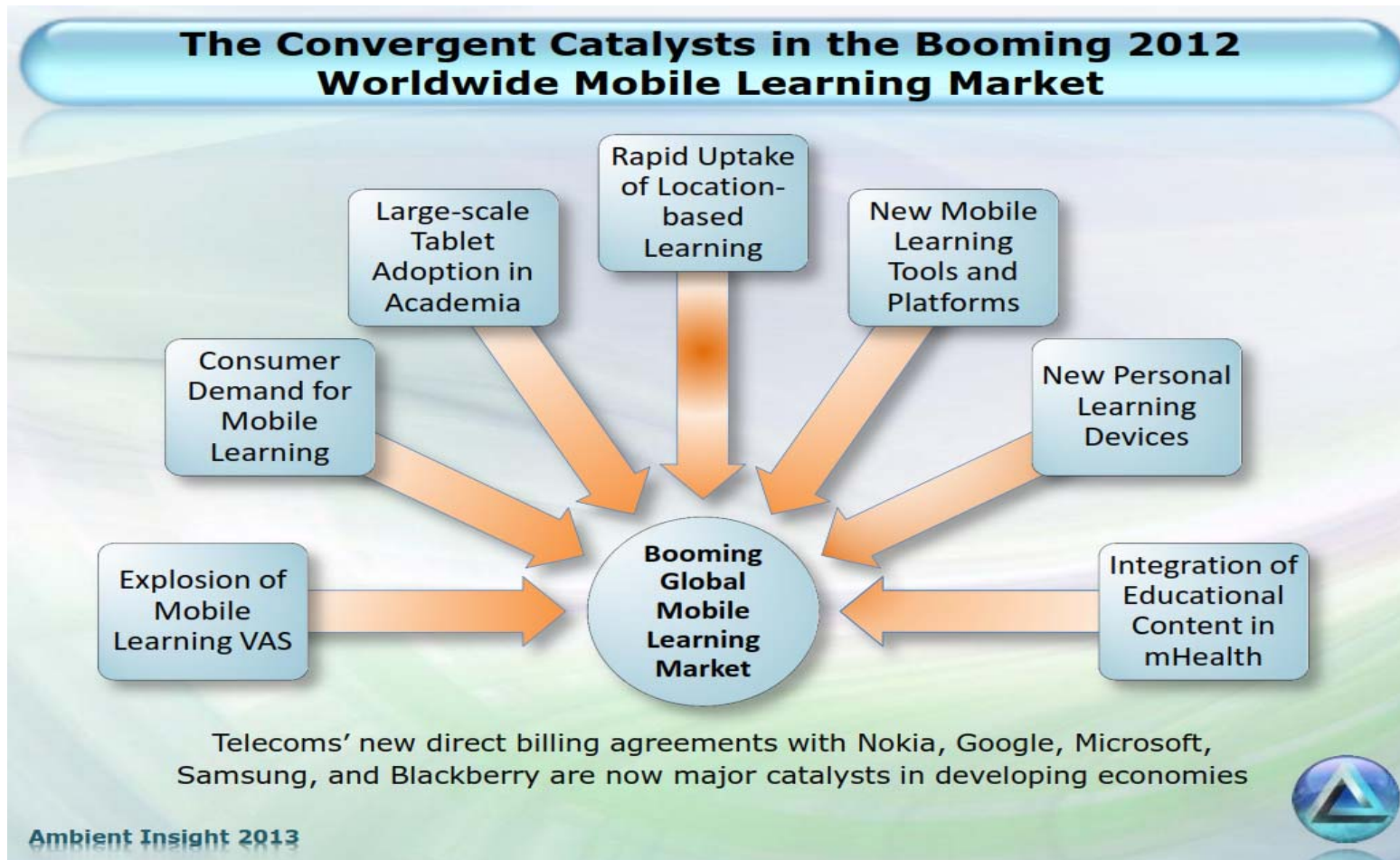
ESN has established a sales and marketing initiative with the USA Parent Teacher Association (PTA) as a fund raising sales initiative, PTA.KNeoWORLD.com.

This collaboration will assist our access to at least 50,000 elementary and middle schools and 23 million students in our target market. Under the fund raising initiative a 50% royalty is paid to the individual school PTA for each subscription taken out by parents.

- Both consumer and PTA markets utilize same Portal and games library.
- Market tested in California and Texas with excellent responses subject to iTunes App approval and now progressing to all US States
- Next markets Asia, South America, UK, Canada and Australia

All Roads Lead to Mobile

KNeoWORLD has developed its mobile strategy with iTunes and Android Apps to meet the mobile market drivers explained below:



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Thank you

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