

ASX AND MEDIA RELEASE

2 February 2015

ZipT delivers further outstanding results in Phase One Pilot Rollout

- Successful completion of ZipT Application Phase One Pilot rollout
- 9,000 users acquired in over a three week period
- Users tested the application in a 36 hour period; placing over 60,000 calls across 300 landline and mobile networks and sending 6,500 messages to users in over 120 countries
- 62% of users shared the application, validating the ZipT product and demonstrating high viral and organic growth
- Significant improvement of call quality, app performance and user feedback from initial testing phase
- Daily load capabilities tested (increasing levels by 4000%), with no issues encountered
- Superior call quality experienced in low bandwidth conditions and low data consumption
- Phase 2 pilot to commence ahead of schedule, with an increase to 40,000 users
- Pre-launch registration page now incorporated on ZipT website for online traffic to register details prior to public launch (refer www.zipt.com)

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce the successful completion of Phase One of the ZipT pilot application rollout.

The second stage of the pilot phase tested the load capabilities of the application and other key metrics. In a 36-hour period over 60,000 calls were placed and circa 6500 outbound SMS were successfully conducted. Over this time frame ZipTel measured on-boarding functionality, call technology, load capabilities and obtained subjective user feedback regarding the app's performance.

The testing proved to be extremely positive, with no stress showing during peak hours. Over a one hour period 9,333 calls were made around the world, all without issue. Based on these results, the load levels show that the infrastructure is stable and ready to scale at a much greater capacity globally.

This testing, carried out across 9,000 new users, also put the key metrics under focus. Users were asked to test the APP to APP functionality via a share mechanism built into the messaging interface. The key results once again demonstrated that the APP is exceeding expectations:

1. 77.5% found the on-boarding easy and quick
2. 90.7% found call quality satisfactory or better (an increase of circa 10% from the previous round of testing)
3. 80.9% of users tried to share the application to another user
4. 61.9% successfully managed to share the application to another user
5. 64.9% successfully managed to free call APP to APP, after successfully sharing the application

The users willingness to share the application demonstrates the potential virality of the product and ability to promote significant organic traffic and increase user numbers, which could result in a significant reduction of the cost per acquisition.

The results in this round of testing have substantially improved in comparison to the initial pilot test results (announced 8 January 2015), proving that the ongoing monitoring and improvements are creating added quality. It also further demonstrates a robust technology with minimal data usage, across a large audience.

With substantial online traffic visiting the ZipT website, Ziptel has also incorporated a registration page for potential users to register details prior to public launch. Refer to www.ziptel.com to view the fully functioning website and registration details.

ZipTel's CEO, Bert Mondello commented on the results:

"These stellar results are a demonstration of the app's capabilities and the potential it has to be scaled to much larger audiences globally. We're working continuously to optimise the app as we near the imminent public launch and we're confident that the user experience it delivers is superior to that of others available in the market. The performance of this application in low data environments is second to none and these results are clear evidence supporting this."

The acquisition of users was carried out over a 3 week campaign period with Air Loyalty, as per the agreement announced on the 27th October 2014.

-Ends-

For more information please contact:

ZipTel Limited

Bert Mondello
CEO
T: +61 8 6252 4224
W: www.ziptel.com.au

Keaton Wallace
Executive Director
T: +61 8 6252 4224

Media Enquiries:

Asher Moses
Media & Capital Partners
M: +61 438 008 616
E: asher.moses@mcpartners.com.au

About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus primarily on the distribution of three core communications products, both domestically and internationally.

About ZipT

ZipT is a mobile-based international communication app that enables consumers to send SMSes and make international calls for free between users. The app can also call any landline or mobile at some of the world's lowest call rates. ZipT delivers crystal clear sound quality in lower bandwidth data environments and allows consumers to retain

their existing phone number, service provider and SIM card, with no lock-in contracts. ZipT does not require a SIM card and can be installed on any smartphone or tablet on compatible platforms. ZipT uses less data than similar products already available on the market, and can be used over Wi-Fi or any mobile network.

For more information visit www.zipt.com.

For personal use only

