

TV2U INTERNATIONAL LIMITED
ACN 110 184 355

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders registered at 5pm (WST) on 29 December 2016 (the **Record Date**) at an issue price of \$0.013 per Share to raise up to \$1,602,659 (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free Option for every four (4) Shares issued (the **Offer**).

The Offer closes at 5.00pm (WST) on 16 January 2017. Valid acceptances must be received before that time.

IMPORTANT NOTICE

This document and the accompanying Entitlement and Acceptance Form are important and should be read in their entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors¹

Nicholas Fitzgerald (CEO)
Peter Cunningham (Director)
Graham Durtanovich (Director)

Company Secretary

Sarah Smith

Share Registry²

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Auditor³

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Energy Capital Partners Pty Ltd
Suite 2, 16 Ord Street
West Perth WA 6005

Notes:

1. The Company intends to appoint an additional Australian-resident director in the near future.
- 2, 3. These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	21 December 2016
Lodgement of Prospectus & Appendix 3B with ASX	21 December 2016
Notice sent to Optionholders	23 December 2016
Notice sent to Shareholders	23 December 2016
Ex date	28 December 2016
Record Date for determining Entitlements	29 December 2016
Prospectus and personalised entitlement and acceptance forms are despatched to Shareholders & Company announces despatch has been completed	4 January 2017
Closing Date*	16 January 2017
Securities quoted on a deferred settlement basis	17 January 2017
ASX notified of under subscriptions	19 January 2017
Issue date/Securities entered into Shareholders' security holdings	20 January 2017
Quotation of Securities issued under the Offer	23 January 2017

* Subject to compliance with the Listing Rules, the Directors reserve the right to extend the Closing Date and alter the balance of the timetable accordingly.

3. IMPORTANT NOTES

This Prospectus is dated 21 December 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

3.1 Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of Shares and Options convertible into continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act (as permitted by ASIC Class Order 10/94).

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.2 Eligibility to participate in the Offer

An original Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for Securities under the terms of this Offer can only be made by an Eligible Shareholder on an original Entitlement and Acceptance Form. Each original Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder to participate in the Offer.

Shareholders with a registered address outside of Australia or New Zealand should be aware that it is not practical, due to the complexity and cost, for the Company to comply with the securities laws for foreign jurisdictions. Therefore the Offer does not, and is not intended to, constitute an offer in any jurisdiction outside of Australia and New Zealand. This Prospectus does not constitute an offer in any place or to any person to whom it would not be lawful to make such an offer.

3.3 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider

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consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

The Company highlights the following risks to which it considers it is presently exposed:

- going concern risk;
- additional requirements for and availability of capital;
- failure to sign operators and/or customers to binding agreements;
- non-performance of technology;
- contractual risk of default by counterparties; and
- sovereign risks associated with the jurisdictions in which the Company intends to undertake business.

3.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 Corporate Update

(a) Customer contracts and Placement

On 21 December 2016, the Company released to the ASX a corporate update which provided details as to the current status of its operator and customer contracts, potential contracts and ongoing negotiations.

The Company also announced details of the Offer and the terms of the Placement (refer to Section 5.3 for further information) to be undertaken by the Company.

(b) Potential acquisition

The Company has recently been involved in discussions with a company which operates an OTT (over-the-top) television streaming business in relation to a potential acquisition. The Company advises that:

- (i) as at the date of this Prospectus, the discussions have not advanced beyond the preliminary stages and commercial terms have not been agreed;
- (ii) for this reason, the Company has not made any consideration for the impact that any potential transaction arising from these discussions would have on the pro forma balance sheet set out in this Prospectus; and
- (iii) until such time as a binding agreement is executed, there remains a substantial risk that no formal transaction will be agreed and entered into in relation to the ongoing discussions.

The Company will only update disclosure in relation to these discussions if there is any change to the status of these discussions during the period in which the Offer or Shortfall Offer is open under this Prospectus.

4.2 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) new Share for every ten (10) Shares held by Shareholders registered at the Record Date at an issue price of \$0.013 per Share (together with one (1) free Option for every four (4) Shares issued, to be issued on the same terms as the existing listed Options on issue in the Company (ASX Code: TV2O)). Fractional entitlements to Securities under the Offer will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised, or other convertible securities are converted, prior to the Record Date) a maximum of 123,281,433 Shares and 30,820,358 Options will be issued pursuant to the Offer to raise up to \$1,602,659.

As at the date of this Prospectus the Company has 363,448,818 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.5 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All of the Shares issued on conversion of the Options issued under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.013 per Share); or
- (c) if you wish to apply for Shares **above your Entitlement** under the Shortfall Offer, follow the instructions on how to participate under the Shortfall Offer set out in Section 4.10 below; and
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**TV2U International Limited – Share Application Account**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Minimum subscription

There is no minimum subscription.

4.7 Underwriting

The Offer is not underwritten.

4.8 Lead Manager

The Company has appointed Energy Capital Partners Pty Ltd (**Lead Manager**) as lead manager to the Offer and the Placement.

In consideration for the performance of the services by the Lead Manager, the Company has agreed to:

- (a) pay to the Lead Manager a management fee of 1% of all proceeds raised under the Offer and the Placement;
- (b) pay to the Lead Manager a selling fee of 5% of all proceeds raised under the Offer and the Placement; and
- (c) subject to raising \$1,000,000 under the Placement, issue to the Lead Manager (or its nominees) 130,000,000 Shares.

4.9 Dilution effect

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 9% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus) as a consequence of the Offer (assuming full subscription under the Offer) and by approximately 21% (as compared to their holdings and number of Shares on issue as at the date of

the Prospectus) as a consequence of the Offer (assuming full subscription under the Offer), the Placement and the Shares to be issued to the Lead Manager or its nominees (as further described in Section 5.3).

4.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Securities. The Company also reserves the right to place any Shortfall to third parties at its discretion.

Eligible Shareholders may apply for Shortfall Securities by completing the prescribed area on the Entitlement and Acceptance Form to be returned with the application monies by the Closing Date.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.013 being the price at which Shares have been offered under the Offer.

The Shortfall is to be issued at the absolute discretion of the Company and as such there is no guarantee that any Shortfall Securities will be issued to applicants for Shortfall.

Although the issue of Shortfall Securities is at the absolute discretion of the Directors, the Directors intend to treat applications under the Shortfall Offer in the following order of priority:

- (a) firstly: parties introduced by the Lead Manager to the Offer, provided that no such party will be issued Securities to the extent that it may hold a voting power in the Company of greater than 19.9%;
- (b) secondly: existing Shareholders; and
- (c) thirdly: non-Shareholder investors.

The Company reserves the right to scale back any applications for Shortfall Securities in its absolute discretion. Excess Application Monies for the Shortfall Offer will be refunded without interest.

It is a term of the Offer that, should the Company scale back applications for Shortfall Securities, the applicant will be bound to accept such lesser number allocated to them.

4.11 ASX listing

Application for Official Quotation of the Shares and Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company will apply for quotation of the Options to be issued under this Prospectus. Shares issued upon exercise of the Options will be fully paid ordinary shares in the Company and will rank equally with the existing class of Shares (ASX Code: TV2) in all respects. The Company will apply for quotation of all Shares issued upon exercise of Options offered under this Prospectus in accordance with the terms of the Options set out in Section 6 of this Prospectus.

4.12 Allotment of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.13 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.14 Application Form

If an Application Form is not completed correctly, the Company, in its absolute discretion, may reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to construe, amend or complete it is final.

4.15 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid Applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Company may elect, at its discretion, to satisfy the payment in cash or in Shares and free Options on the same terms and conditions as the issue of Securities under this Prospectus.

4.16 Taxation Implications of the Offer

The Directors are unable to provide Shareholders advice on the taxation implications (if any) of investing in the Offer because each Shareholder's circumstances are different. Shareholders should seek advice from a professional taxation advisor before deciding to invest. To the maximum extent permitted by law, the Company and its Directors do not accept any responsibility or liability for any taxation consequences for Shareholders resulting from an investment in the Offer.

4.17 Enquiries

Any questions concerning the Offer should be directed to Sarah Smith, Company Secretary, on + 61 8 6381 0035.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,602,659.

The Company presently intends that funds raised under the Offer (assuming full subscription) will be used in accordance with the following table:

Item	Full Subscription under the Offer (\$)
Delivery of OTT services to customers	750,000
Content rights ¹	550,000
Karaoke 2U marketing research	50,000
Working capital	121,499
Expenses of the offers ²	131,160
Total	1,602,659

Notes:

1. The Company is currently in negotiations regarding content rights. The expenditure on content rights described in the table above is subject to agreeing binding terms with the content rights licensors. If no binding agreement is executed, the funds will be allocated to working capital.
2. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Offer is not fully subscribed, the Company intends to reduce the application of proceeds in proportion to the allocation of the items described above.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,471,499 after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 1,232,814,327 as at the date of this Prospectus to 1,356,095,760 Shares following complete of the Offer; and
- (c) increase the number of Options on issue from 363,448,818 as at the date of this Prospectus to 394,269,716 Options following completion of the Offer.

5.3 Placement

In conjunction with the Offer, the Company intends to undertake a placement to institutional, sophisticated or professional investors of up to 76,923,076 Shares at an

issue price of \$0.013 each (**Placement Shares**) to raise up to \$1,000,000, with one free Option to be issued on the same terms as the existing listed Options (**Placement Options**) for every four Placement Shares issued (the **Placement**). The Company expects that settlement of the Placement will occur progressively on and from the date of lodgement of this Prospectus until the completion of the Shortfall Offer. If required, the Company will obtain Shareholder approval for the issue of Securities under the Placement to the extent that it does not have sufficient placement capacity under the Listing Rules.

The Company presently intends that funds raised under the Placement, together with funds raised under the Offer (assuming full subscription), will be used in accordance with the following table:

Item	Full Subscription under the Offer and Placement (\$)
Delivery of OTT services to customers	1,250,000
Content rights	550,000
Karaoke 2U marketing research	150,000
Working capital	461,499
Expenses of the offers	191,160
Total	2,602,659

As summarised in Section 4.8, the Company has agreed to pay to the Lead Manager a management fee of 1% and a selling fee of 5% of the proceeds raised under the Offer and the Placement, and issue to the Lead Manager (or its nominees), 130,000,000 Shares subject to the Company raising \$1,000,000 under the Placement.

5.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2016 and the unaudited pro-forma balance sheet as at 30 September 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position as a consequence of the following transactions (actual and proposed):

- (a) 43,000,000 Shares issued on 26 October 2016 issued for nil cash consideration;
- (b) completion of the Placement to raise \$1,000,000 (before costs);
- (c) completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date);
- (d) working capital movements/payments to suppliers of \$1,045,000;
- (e) the payment of cash expenses in connection with the Offer and the Placement of \$191,160; and
- (f) the issue of 130,000,000 Shares to the Lead Manager (or its nominees) as further described in Section 5.3.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and

liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30-Sep-16	ADJUSTMENTS (a), (d)	PRO FORMA – ADJUSTMENTS (b), (c), (e)	UNAUDITED PRO FORMA 30-Sep-16
CURRENT ASSETS				
Cash	1,421,790	(1,045,000)	2,411,499	2,788,289
Trade & Other Receivables	58,445	-	-	58,445
Prepayments	70,822	-	-	70,822
TOTAL CURRENT ASSETS	1,551,057	(1,045,000)	-	2,917,556
NON-CURRENT ASSETS				
Intangible Assets	78,089	-	-	78,089
Plant & Equipment	108,831	-	-	108,831
TOTAL NON-CURRENT ASSETS	186,920	-	-	186,920
TOTAL ASSETS	1,737,977	(1,045,000)	2,411,499	3,104,476
CURRENT LIABILITIES				
Trade & Other Payables	192,869	-	-	192,869
TOTAL CURRENT LIABILITIES	192,869	-	-	192,869
TOTAL LIABILITIES	192,869	-	-	192,869
NET ASSETS	1,545,108	(1,045,000)	2,411,499	2,911,607
EQUITY				
Issued Capital	16,386,067	817,000	4,292,659	21,495,726
Reserves	(140,393)	-	-	(140,393)
Retained loss	(14,700,566)	(1,862,000)	(1,881,160)	(18,443,726)
TOTAL EQUITY	1,545,108	(1,045,000)	2,411,499	2,911,607

Notes:

1. The references to paragraphs in the adjustment columns of the balance sheet (and the tables below) refer to the transactions (actual and proposed) which have been considered by the Company in the preparation of the balance sheet as detailed above.

2. Reconciliation of cash:

	Note	Amount (\$)
Cash at bank – 30 September 2016		1,421,790
Placement	(b)	1,000,000
Rights issue	(c)	1,602,659
Working capital movement/payments to suppliers	(d)	(1,045,000)
Expenses of the Offer and Placement	(e)	(191,160)
		2,788,289

3. Reconciliation of issued capital:

	Note	Amount (\$)
Balance – 30 September 2016		16,386,067
Issue of Shares to Advisers (deemed issue price of \$0.019 each)	(a)	817,000
Placement	(b)	1,000,000
Rights issue	(c)	1,602,659
Issue of Shares to Lead Manager (deemed issue price of \$0.013 each)	(f)	1,690,000
		21,495,726

5.5 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no existing Options are exercised or other convertible securities on issue in the Company are converted prior to the Record Date, is as follows:

Shares

	Number
Shares currently on issue ¹	1,232,814,327
Shares offered pursuant to the Offer	123,281,433
Shares offered pursuant to the Placement	76,923,076
Shares to be issued to Lead Manager	130,000,000
Total Shares on issue after completion of the Offer²	1,563,018,836

Notes:

- Shares on issue includes:
 - 396,428,573 Shares subject to 24 months escrow commencing 9 February 2016; and
 - 16,105,427 Shares subject to 12 months escrow commencing 3 February 2016.
- In addition to the securities disclosed above, the Company obtained approval at its recent annual general meeting (held on 29 November 2016) to issue up to 57,000,000 Shares to advisers of the Company. The Company intends to shortly complete the issue of these Shares.

Options

	Number
Options currently on issue:	
- listed Options exercisable at \$0.04 on or before 30 March 2019)	331,761,318
- unlisted Options exercisable at \$0.03 on or before 31 December 2018) ¹	31,687,500
Options offered pursuant to the Offer (on the same terms as the existing listed Options)	30,820,358
Options offered pursuant to the Placement (on the same terms as the existing listed Options) ²	19,230,769
Total Options on issue after completion of the Offer³	413,499,945

Notes:

- Options subject to 12 months escrow commencing 3 February 2016.
- The Company will seek Shareholder approval for the issue of these Options if the Company does not have sufficient placement capacity under the Listing Rules.
- In addition to the securities disclosed above, the Company obtained approval at its recent annual general meeting (held on 29 November 2016) to issue up to 137,684,973 Options (on the same terms as the existing listed Options). The Company intends to shortly complete the issue of these Options.

Performance Securities¹

	Number
Performance Rights	6,000,000
Performance Shares ²	517,857,143
Total Performance Shares and Performance Rights after completion of the Offer	523,857,143

Notes:

- The terms of the Performance Rights and Performance Shares on issue are summarised in the 2016 Annual Report for the Company released to ASX on 3 October 2016.
- Performance Shares subject to 24 months escrow commencing 9 February 2016.

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 2,120,120,288 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 2,274,222,079 Shares.

5.6 Details of substantial holders

The Company understands that those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Talico Technologies Limited	303,571,428	24.62
Cancun Trading Pty Ltd	96,205,301	7.80

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Options

(a) **Entitlement**

Subject to paragraph (n) below, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraphs (k) and (m) below, the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on 30 March 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the Official List at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Options**

The Company will apply for quotation of the Options on ASX.

(j) **Quotation of Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the Company's issued capital is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Adjustment for rights issue**

If the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

The Company notes that, in accordance with paragraph (m) of the terms of the Options and as a consequence of the Offer, the exercise price of the Options under paragraph (b) of the terms of the Options is expected to reduce in accordance with Listing Rule 6.22.2. The Company will notify ASX and the holders of the Options of the reduced exercise price following its determination.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Going concern risk

The Company's annual financial report for the year ended 30 June 2016 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. The report from the Company's auditor notes that the ability of the Company to continue as a going concern is dependent on securing additional funding through capital raising to meet its working capital requirements in the next 12 months.

Notwithstanding the 'going concern' disclosure included in the annual financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that the Offer is not completed successfully there is uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(b) Failure to sign operators

The Company's business model is fundamentally dependent on signing one or more operators to its OTT/IPTV platform. The engagement of an operator is likely to provide necessary capital for the Company to operate its business for an extended term, launch new products, acquire additional rights to content and generate predictable revenue streams.

If the Company fails to sign a key operator to its platform in the near term, it is likely to have a significantly adverse effect on the financial viability of the Company.

The Company is currently in discussions with a number of potential operators but there can be no guarantee that any potential operators will sign on to the Company's platform.

(c) **Commercial agreements risk**

Many of the Company's key commercial agreements are indicative only, are not binding on the parties and require a formal agreement to be negotiated and signed in order to bind the parties.

There is a significant risk that formal agreements may not be agreed and signed by the Company in respect of these arrangements. If the Company is unable to sign binding agreements with its anticipated operators, customers or suppliers, the Company would not be able to derive any financial or other benefit from any of those relationships and the relevant commercial agreements disclosed to the market would be of no effect.

(d) **Contract and cost risk**

In order for the Company to be able to achieve its objectives, it is reliant on its customers, contractors and end users complying with their contractual obligations. Should any of the counter-parties to the Company's contracts fail to comply with such agreements, it may have an adverse effect on the business and performance of the Company.

If the Company is successful in signing an operator, there is a risk of delay in payment between signing the contract and launch of the operator's product in its chosen territory which is outside the control of the Company. An extended delay in receiving payment from its material contracts may affect the Company's financial viability.

In addition, as the Company is reliant on third party components used in its technology, its business may be materially affected if there is a significant increase in the cost of licences to such components.

(e) **Customer service risk**

The Company's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

(f) **Limited trading history**

The Company's business is a start-up with limited trading history and, at such an early stage of its development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company.

Since its establishment on 28 May 2015, the business's activities have principally involved funding the development of its software and product testing.

As is the case with many start-ups, the business has incurred losses since its inception.

(g) **Intellectual property**

Certain of the Company's subsidiaries have licensed or acquired the rights to certain patent applications relating to their core business. None of the patent applications are held in the name of the relevant subsidiary and, at the date of this Prospectus, none of the patent applications have been granted.

The patent applications to which the Company (via its subsidiaries) have acquired licence rights are held in the name of TARA IP Limited, an entity controlled by Mr Nick Fitzgerald, the CEO of the Company. TV2U Singapore Pte Ltd, a subsidiary of the Company, has acquired all of the rights, title and interest in and to the patent applications by assignment and has licensed such rights to TV2U Worldwide Pty Ltd, a subsidiary of the Company. However, as TV2U Singapore Pte Ltd is not itself the applicant for the patents, it is reliant on TARA IP Limited to comply with the terms of the assignment and progress the patent applications if and to the extent required by TV2U Singapore Pte Ltd. Should TARA IP Limited fail to comply with its contractual obligations, it may have an adverse effect on the business of the Company.

In respect of the patent applications, even if granted, the granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company is not aware of any third party interests in relation to the intellectual property rights, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

The Company's prospects also depend on its ability to develop and patent technology that meets changing market needs and addresses the technological advances and competitiveness of other companies operating in the markets targeted by it.

(h) **Technology risk**

The Company is reliant upon certain technologies and upon the successful commercialisation of the technologies currently held by it. There is a risk that as marketable technologies continue to develop in the communications and entertainment industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company which would adversely affect the profitability of the Company and likely the value of the Options and Shares.

There is also a risk that the technology used by the Company, which it intends to make available (by licence) to operators and/or customers subject to agreeing binding service and supply agreements, may not meet its specifications or may not be fit for the purpose desired by the operators and/or customers.

The Company's existing hardware and software can only support a limited number of channels (up to 10). In order to expand the number of channels that can be offered, the Company will need to upgrade its hardware (the content hub in Kuala Lumpur) and further develop its software (both its own software and that of third parties). Upgrades of this type can run into risks of integration and scalability.

In addition, the Company's business is reliant on the technology accessible by end users. If end users do not have capacity to receive or properly utilise the Company's services (for example, their networks are of insufficient speed to provide internet video), the Company's business may be adversely affected in those regions.

(i) **Failure to deal with growth**

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to adequately meet customer or operator demand could adversely affect the business.

7.3 Industry specific

(a) **Competition**

Competitors in the market, or any technological developments providing an alternative to the Company's product offerings, could impact the market share that the Company is able to acquire and cause downward price pressure on consumer software and services platforms, thus reducing its margins and revenue.

Further, existing providers of similar consumer services may also respond aggressively to the Company's product offerings to retain or regain market share, which could also impact its margins and revenue.

There is also a risk that competitors and operators may block the Company's products and services in their networks to favour their own products and television solutions.

(b) **Change in government policy and legislation**

The Company operates in a number of jurisdictions. Any material adverse changes in relevant government policies or legislation may affect the viability and profitability of the Company, and consequent returns to investors. The Company's activities are subject to various international, federal, state and local laws governing taxes, labour standards and occupational health and safety, and other matters. The Company's principal opportunity in the Republic of Indonesia is with government owned or related entities. Any changes in regulations or requirements of the governments in these jurisdictions may affect the potential agreements with these entities and the terms on which the Company provides its services.

(c) **Failure to deal with growth**

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to adequately meet customer or operator demand could adversely affect the business.

(d) **Availability of IT staff in the market**

The Company is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the Company's products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

(e) **Security breaches or hacker attacks**

A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Foreign exchange rate risk**

Revenue derived by the Company will be denominated in United States dollars and the Company's operating expenses will be incurred principally in Australian dollars. Movements in the USD/AUD exchange

rate may adversely or beneficially affect the Company's results or operations and cash flows.

(d) **Additional requirements for capital**

The Company does not intend to proceed with expanding the content hub in Kuala Lumpur until such time that either a key operator is secured that finances the expansion, or additional finance is secured by the Company in the future.

Failure to secure either of these sources of finance could have a materially adverse impact on the Company's business and revenue moving forward.

Further, additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(e) **Dilution**

There is a risk that the interests of Shareholders will be diluted as a result of future capital raisings required in order to fund the development of the Company.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(h) **Reliance on key personnel**

The Company's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

A former contractor of entities associated with the Company has made claims of demand for payment against the Company and other entities in which the former contractor believes he was involved. The Company intends to defend the claims.

Other than this matter, the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

For personal use only

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
21/12/2016	Company Update
21/12/2016	Placement and Rights Issue
19/12/2016	Trading Halt
14/12/2016	Reinstatement to Official Quotation
14/12/2016	Suspension Update & Reinstatement to Trading
12/12/2016	Response to ASX Aware Query
09/12/2016	Change of Share Registry Address
08/12/2016	Update on Suspension
02/12/2016	Suspension Update
29/11/2016	Results of Meeting
21/11/2016	Suspension Update
10/11/2016	Notice under s708A(9)(c)
04/11/2016	Cleansing Prospectus
04/11/2016	Divan TV Alliance Agreement
03/11/2016	TV2U Expands Service Offering into Latin America
03/11/2016	PGASCOM Update
03/11/2016	TV2U Suspension Update
01/11/2016	Suspension from Official Quotation
01/11/2016	Response to ASX Aware Letter
01/11/2016	Quarterly Activities Report & Appendix 4C
31/10/2016	Trading Halt
28/10/2016	Notice of Annual General Meeting
27/10/2016	Initial Director's Interest Notice x 2

Date	Description of Announcement
27/10/2016	Heads of Agreement with Body Works International
26/10/2016	Appendix 3B and Cleansing Notice
26/10/2016	TV2 Signs Agreement with Leading Indonesian Telco Provider
25/10/2016	Final Director's Interest Notice x 2
24/10/2016	Trading Halt
21/10/2016	Board Changes
06/10/2016	Investor Presentation
03/10/2016	Completion of Phase 2 Delivery of Karaoke2U & Company Update
03/10/2016	Appendix 4G
03/10/2016	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	0.023	26 October 2016
Lowest	0.013	16 December 2016
Last	0.014	16 December 2016

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Performance Shares	Options	Entitlement	\$
Nick Fitzgerald	303,571,428 ¹	440,178,572 ²	Nil	30,357,142	394,643
Graham Durtanovich	7,607,143 ¹	16,678,571 ²	Nil	760,714	9,889
Peter Cunningham	Nil	Nil	Nil	Nil	Nil

Notes:

- Shares subject to 24 months escrow commencing 9 February 2016.
- Performance shares subject to 24 months escrow commencing 9 February 2016.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

For personal use only

Director	Year ended 30 June 2015	Year ended 30 June 2016	Year ended 30 June 2017 (Proposed)
Nick Fitzgerald	Nil	\$329,167 ¹	\$350,000
Graham Durtanovich ¹	Nil	Nil	\$36,000
Peter Cunningham ²	Nil	Nil	\$36,000

Notes:

1. Includes a sign-on cash bonus of \$150,000 paid on 10 February 2016.
2. Graham Durtanovich was appointed as a Director on 21 October 2016.
3. Peter Cunningham was appointed as a Director on 21 October 2016.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$421,587.57 (excluding GST and disbursements) for legal services provided to the Company.

Energy Capital Partners Pty Ltd has been appointed as Lead Manager to the Offer and will be paid fees as summarised in Section 4.8. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company:

- (a) paid cash fees to Energy Capital Partners Pty Ltd totalling \$352,800;
- (b) issued to Energy Capital Partners Pty Ltd (and its nominees):
 - (i) 75,000,000 Shares on 31 May 2016; and
 - (ii) 43,000,000 Shares on 27 October 2016; and
- (c) intends to issue a further 57,000,000 Shares to Energy Capital Partners Pty Ltd (and its nominees), which issue was approved by Shareholders at the annual general meeting of the Company held on 29 November 2016,

in consideration for corporate advisory, marketing and broking services provided by Energy Capital Partners Pty Ltd to the Company.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Energy Capital Partners Pty Ltd has given its written consent to being named as Lead Manager to the Company in this Prospectus. Energy Capital Partners Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$131,160 (excluding GST) and are expected to be applied towards the items set out as follows:

	\$
ASIC fees	2,350
ASX fees	6,920
Lead Manager fees	96,160
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	5,730
Total	<u>131,160</u>

8.8 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 8 6381 0035 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.tv2u.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

For personal use only

8.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

For personal use only

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

nick fitzgerald

Nick Fitzgerald

CEO

For and on behalf of

TV2U International Limited

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10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means an Eligible Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means TV2U International Limited (ACN 110 184 355).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Lead Manager means Energy Capital Partners Pty Ltd.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning set out in Section 5.3.

Placement Options has the meaning set out in Section 5.3.

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Placement Shares has the meaning set out in Section 5.3.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall or **Shortfall Securities** means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.10.

WST means Western Standard Time as observed in Perth, Western Australia.