

4 May 2017

Dear Shareholder

NEWZULU LIMITED - RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 2 May 2017 Newzulu Limited (ACN 078 661 444) (**Company** or **Newzulu**) is undertaking a 17:5 renounceable entitlement issue (**Entitlement Issue** or **Offer**) of approximately 4,936,322,773 fully paid ordinary shares (**New Share**) to raise approximately \$4,936,323. The price of New Shares under the Offer is \$0.001 each (**Issue Price**). The Company lodged a replacement prospectus for the Offer (**Prospectus**) with ASIC and ASX on 2 May 2017.

The Offer is fully underwritten by Gleneagle Securities (Aust) Pty Limited (**Underwriter**). The Company must pay the Underwriter an underwriting fee of \$100,000 and 2% of any amount sub-underwritten by sub-underwriters which must be paid to those sub-underwriters by the Underwriter in accordance with the terms of the Underwriting Agreement.

The funds raised from the Offer are planned to be principally used to fund the expansion of the Newzulu sales team, to repay Newzulu's loan of approximately \$670,000 and for general corporate purposes. Additionally, the proceeds will be used for general working capital and to cover costs of the Entitlement Issue.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 7:00pm (AEST) on 8 May 2017, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 4,936,322,773 New Shares resulting in total Shares on issue of approximately 6,387,382,412.

A copy of the Prospectus is available on ASX's and Newzulu's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 10 May 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- + You may take up all or some of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services (**Share Registry**) by no later than 5:00pm (AEST) on 26 May 2017 by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

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- + You may take up all or your Entitlements and apply for Shares under the Shortfall Offer. To take up your Entitlement and apply for Shares under the Shortfall Offer you will need to ensure your application money for your Entitlement and the Shares you wish to apply for under the Shortfall Offer is received by the Share Registry by no later than 5:00pm (AEST) on 26 May 2017, by completing and returning your Entitlement and Acceptance Form (including the Shares under the Shortfall Offer that you wish to apply for) together with 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 plus the amount being applied for under the Shortfall Offer OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.001 per New Share).
- + You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 5 May 2017 until the close of market on 19 May 2017. To sell any of your Entitlements you need to contact your broker as soon as possible.
- + You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHESSE Controlling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00pm (AEST) on 26 May 2017.
- + You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX and ASIC Notification sent to option holders	2 May 2017
Notice of Entitlement Issue sent to Shareholders	4 May 2017
Existing shares quoted on an 'ex' basis	5 May 2017
Rights start trading	5 May 2017
Record date	8 May 2017
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	10 May 2017
Rights stop trading	19 May 2017
Offer Period Closes	26 May 2017
Securities quoted on a deferred settlement basis.	29 May 2017
Notification of under-subscriptions to ASX (if any)	30 May 2017
Shares Issued Holding statements despatched	1 June 2017

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or the Company Secretary on +61 8 9321 0715 between 8:30am and 5:00pm (AWST) or via email at investors@newzulu.com.

Yours sincerely,



Charles C. Koonen
Non-Executive Chairman

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