

ASX Company Announcement | Issue Date: 20 April 2016

NEWZULU COMPLETES \$5 MILLION PLACEMENT AND OFFERS UNDERWRITTEN ENTITLEMENT ISSUE

- + \$5 million placement oversubscribed and completed with support from strategic investor Seven West Media and cornerstone Thorney.
- + Fully underwritten entitlement issue to be offered to all shareholders to raise an additional \$2 million.
- + Funding from placement and entitlement issue together with the restructuring and cost cuts intended to fund business to cash flow positive.

Newzulu Limited (ASX: NWZ, OTCQX: NWZLY, Newzulu, Company), the world's leading crowd-sourced media company, that provides coverage, content and technology to media companies and brands, is pleased to announce that it has successfully raised \$5 million through a placement to strategic and sophisticated investors (**Placement**), supported by strategic investor Seven West Media and financial cornerstone Thorney Investment Group and its associates (**Thorney**). Gleneagle Securities acted as lead arranger and adviser to the Placement.

The funds raised will be used to grow sales revenues from Newzulu's Technology, Content and Creative Services business units, with a particular focus on the USA market. Additionally, the proceeds will be used for general working capital and to cover costs of the Placement.

Pursuant to the Placement, the Company will issue 500 million fully paid ordinary shares at an issue price of 1 cent per share (**Placement Shares**), representing a 56.5% discount to the last closing price of 2.3 cents. The Placement Shares will be issued in three tranches, as follows:

- + General Placement
 - o Tranche 1: to issue approximately 109 million Placement Shares to raise \$1.09 million to be completed on or around 22 April 2016;
 - o Tranche 2: to issue approximately 22 million Placement Shares to raise \$0.22 million, subject to shareholder approval; and
- + Cornerstone Investor Placement to issue approximately 369 million Placement Shares to raise \$3.69 million, subject to shareholder approval.

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Subject to shareholder approval and in recognition of their support for the Placement, the Company proposes to issue 90 million options to investors in the Cornerstone Investor Placement, being Seven West Media and Thorney as follows:

- + 72 million options exercisable at 2 cents per option with an expiry date of 3 years from the date of issue; and
- + 18 million options exercisable at 3 cents per option with an expiry date of 3 years from the date of issue.

“Newzulu is delighted to have completed this fundraising with the support of Australia’s leading media company in Seven West Media and a further investment from financial cornerstone Thorney. Newzulu is now funded to achieve its business plan target of cash flow positive operations from global sales of its content and technology platform. Further Newzulu is now in the exciting position to collaborate with Seven West on world leading crowd sourced content initiatives across Seven’s digital and traditional publishing and broadcasting assets” said Alexander Hartman, Managing Director of Newzulu.

The directors of Newzulu are also pleased to announce the proposal to undertake a fully underwritten entitlement issue, offering eligible existing shareholders the opportunity to subscribe for shares in the Company at the same valuation as investors in the Placement. The Company proposes to offer approximately 200 million new Shares under the entitlement issue to raise approximately \$2 million. The entitlement issue will be launched following completion of Tranche 1 of the General Placement. The entitlement issue will be underwritten by Gleneagle Securities and sub-underwritten by Seven West Media and Thorney. The directors have each indicated their intention to take up their entitlements to the full extent of their capacity.

Managing Director, Mr Hartman commented, “The proposed entitlement issue offer provides an opportunity for existing shareholders to participate in Newzulu’s growth potential on an equal valuation basis alongside strategic investor Seven West Media and financial cornerstone Thorney Investment Group.”

- ENDS -

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About Newzulu

Newzulu is a crowd-sourced media company that allows anybody, anywhere, with a mobile device and a story, to share news, get published and get paid. Headquartered in New York, Newzulu operates bureaus in London, Paris, Los Angeles and Toronto. Newzulu operates in partnership with Associated Press (AP), Getty Images, Tribune Content Agency and Alamy in the United States, Agence France-Presse (AFP) in France, Press Association (PA) and Videoplugger in the UK & Ireland, Belga News Agency in Belgium, Canadian Press (CP) in Canada, Aflo Co., Ltd in Japan, Australian Associated Press (AAP) in Australia, ITAR TASS in Russia, Norwegian News Agency (NTB) and YAY Images in Norway,

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