

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.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions

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outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company will appoint Gleneagle Securities (Aust) Pty Limited (**Nominee**) as nominee to sell the rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled. The Company will pay the Nominee a brokerage fee of 1% the total gross dollar value of Entitlements sold (excluding GST) and a fixed fee of \$7,500 (excluding GST).

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. If you require further information, please contact the Company Secretary on +61 8 9321 0715 between 8:30 am and 5:00 pm AWST or via email at investors@newzulu.com.

Yours sincerely,



Charles C Koones
Non-Executive Chairman

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