

ASX Announcement

18 December 2015

Continuation of voluntary suspension

As previously announced to the market the Company changed its focus early in 2015 to VET FEE-HELP funded training following the acquisition of Phoenix and quickly built a substantial business in this space. Phoenix rapidly became the source of over 90% of the revenues for the Group. The actions of the Department of Education to defer certain VET FEE-HELP payments and withhold future payments has a significant financial impact on the Group.

The Company entered into commitments in technology, additional administrative staff and trainers based on forecast training obligations and forecast revenues which are now not being received. The Company can currently pay its creditors as and when they fall due but has, as a result of the non-receipt of VET FEE-HELP payments from the Department of Education, significantly reduced expenses and cancelled certain projects (e.g. the establishment of various student training lounges) until the uncertainty of the payments is resolved.

The Company has made an application to the Federal Court of Australia to set aside the decisions of the Department of Education to defer certain VET FEE-HELP payments which are due and to compel payment of other amounts as and when they fall due. These proceedings remain to be determined or otherwise resolved.

Until a decision is reached in these proceedings or the position regarding funding is otherwise resolved it is not appropriate to lift the voluntary suspension from trading in the Company's shares on ASX as the market is not able to trade shares in the Company on a fully inform basis. Accordingly, the Company is extending the voluntary suspension until 15 March 2016, at which point the Company expects more certainty on this decision and to be in a position to more fully inform the market as to the position.

In October 2015, the Company received an advance of \$3,200,000 from Ivan Brown, one of the directors of the Company, to assist it with some short term funding needs/issues. Now that these issues have been resolved, the Company intends to repay this advance.

The Company also notes matters reported in the press in regards to the non-payment of VET FEE-HELP loans on behalf of eligible students. This has placed students in financial jeopardy. The Company is aware that some providers may seek owed payments directly from students as they form the view the Department is refusing to disburse the individual student's loan to the provider as required under the legislation.

The Company will continue to update shareholders as these matters progress.

A handwritten signature in black ink, appearing to read 'Ivan Brown', is positioned above the printed name and title.

Ivan Brown
Managing Director

For queries, please contact Australian Careers Network Limited on 03 8331 7890 or info@australiancareersnetwork.com.au

Australian Careers Network Group (ASX: ACO) is a full service vocational education and training provider encompassing student marketing and recruitment, direct and subcontracted education and training delivery (registered and non-registered), the issuing of registered qualifications, tracking, processing and reporting functions under the Australian Skills Quality Authority (ASQA) and the Victorian Registration and Qualifications Authority (VRQA).

Its primary services include workplace training and classroom based accredited certificates and diplomas, heavy equipment licensing, simulative and flexible learning, industry-experienced training and assessment and partnering with job seeking agencies to provide employment pathways to students seeking employment upon completion of a qualification.