8 August 2014

Dear Shareholder,

Share Purchase Plan

As announced to ASX on 4 August 2014, Quickflix Limited ACN 102 459 352 ("**Quickflix**" or the "**Company**") is pleased to provide shareholders with the opportunity to acquire additional shares at a concessional price up to the value of AUD $15,000 pursuant to a Share Purchase Plan ("**Plan**").

The shares are being offered ("**Offer**") at a price equal to **the lesser of**:

1. 1.6 cents per share (being the closing market price of the Company's shares on the day before the Plan was announced); and
2. a 20 per cent discount to the volume weighted average market price ("**VWAP**") of the Company's ordinary shares calculated over the last five days on which sales of shares are recorded prior to the issue date of the Plan shares.

The minimum price has been set as the lowest price permissible under the ASX Listing Rules without requiring shareholder approval. The maximum price payable represents the closing market price on the day prior to the announcement of the Offer.

As the VWAP is not calculated until the end of offer process, the Offer price will only be set at that time. By way of example, the table below illustrates what Offer price would be applicable under various scenarios for the VWAP prior to the issue of shares:

Illustration table

Volume Weighted Average Market Price (VWAP) for the last 5 days prior to issue date	Offer Price (Lower of 1.6 cents and 20 per cent discount to VWAP)	Example: Number of shares to be issued for a $10,000 investment
2.0 cents or greater	1.6 cents	625,000
1.8 cents	1.5 cents	666,667
1.6 cents	1.3 cents	769,231
1.4 cents	1.2 cents	833,333
1.2 cents	1.0 cents	1,000,000

This letter and the enclosed Application Form set out the terms and conditions of the Offer. By accepting the Offer to purchase shares under the Plan, you will have agreed to be bound by these terms and conditions. The Plan is open for acceptance of applications until the Closing Date of 25 August 2014.

Quickflix is an emerging leader in streaming of movie and TV series content in Australia and New Zealand, a rapidly growing sector which is attracting the interest of major broadcast media companies. Nine Entertainment Co recently acquired Home Box Office Inc's redeemable convertible preference shares in Quickflix giving it a 6.3 per cent interest in the share capital of the Company.

The funds raised under the Plan together with funds raised by the recent placement to sophisticated and institutional investors will be applied to working capital, investment in content and marketing to accelerate the Company's growth strategy, and investment in supporting strategic initiatives.

The Directors of the Company see the following advantages to shareholders in subscribing for shares under the Plan:

- small shareholders may top up their holdings;
- no brokerage or transaction costs are payable on shares subscribed for under the Plan;
- the subscription price will be at a discount to the market price of Quickflix shares traded on ASX in the period prior to the issue of shares under the Plan; and
- there is no minimum shareholding requirement to qualify for participation in the Plan.

You are eligible to participate in the Plan if you were a registered holder of QFX shares as at the close of business on 1 August 2014 with a registered address in Australia or New Zealand.

You may accept the Offer for any amount from a minimum of AUD$500 up to a maximum amount of AUD$15,000.

The maximum amount of shares will apply even if you receive more than one Offer from the Company (for example because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). The Company reserves the right to reject any application for shares where it believes this rule or any other term of the Plan has not been complied with or if the issue of those shares would contravene any law or the ASX Listing Rules.

The Offer under the Plan is non-renounceable. This means you cannot transfer your right to purchase shares under the Offer to anyone else.

If you hold Quickflix shares as a custodian (or sub-custodian) on behalf of more than one beneficiary, you are entitled to participate in the Plan separately on behalf of each beneficiary subject to completing and returning a Custodian Certificate. To request a Custodian Certificate or if you would like further information on how to apply, you should contact our Company Secretary as set out below.

The maximum amount of shares that may be issued pursuant to the Plan under the ASX Listing Rules without requiring shareholder approval is approximately 407.9 million shares. If the Company receives subscriptions for greater than this number of shares it will either scale back applications on a pro rata basis and return any excess subscription monies to shareholders or seek shareholder approval to issue additional shares.

Participation in the Plan is entirely at your option. Shareholders should note that the shares offered under the Plan are speculative in nature.

There is a risk that the market price of Quickflix shares may fall between the date of the Offer and the date when the shares are issued under the Plan. By reason of the pricing mechanism, however, the shares issued under the Plan will be issued at a significant discount to the volume weighted average market price over the 5 days on which Quickflix shares are traded before issue.

All new shares issued under the Plan will rank equally with existing fully paid ordinary shares in the Company and will carry the same voting rights, divided rights and other entitlements as at the issue date.

The Plan will have a Closing Date of 25 August 2014, subject to the Company's right to extend the Closing Date at its discretion. It is anticipated that the shares allotted to you under the Plan will be issued within 5 business days after the Closing Date and the Offer and quotation of those shares on ASX will be sought by the Company at the time of issue.

To purchase shares under the Plan, please either:

1 Complete and sign the enclosed ***Share Application Form*** and return it to the Company's share registry as described on the Application Form, together with your **cheque** payable to "**Quickflix Limited**"; or

2 In accordance with the instructions on the ***Share Application Form*** apply for shares using the BPAY payment method. If BPAY is used there is **no requirement** to complete and return the enclosed ***Share Application Form****.* 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.

Applications must be received by 5.00 pm WST on 25 August 2014. BPAY payments must be received prior to 4.00 pm WST, on 25 August 2014 (which is when the BPAY system closes on the Closing Date). The Company, however, reserves the right to extend the closing date of the Plan if it believes it is desirable to do so. If the exact amount of money is not tendered with the Application Form, the Company reserves the right to disregard your application and not allot any shares to you, or alternatively issue that number of shares that corresponds with the payment tendered.

If you have any questions in respect of the Plan, please contact our Company Secretary, Susan Hunter by email at investors@quickflix.com.au or by telephone on 1300 138 644 (within Australia) or +61 8 9347 4900 (outside Australia).

Yours sincerely

Stephen Langford
Chairman and CEO

Quickflix Limited
ABN 62 102 459 352

For all enquiries:

Phone:
(within Australia) 1300 138 644
(outside Australia) +61 3 9347 4900

Web:
www.investorcentre.com/contact

⊢ 000001 000 QFX
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

See over for details of the Offer and how to make your payment

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (WST) Monday 25 August 2014

This is an important document that requires your immediate attention.
It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.
By making payment you agree to be bound by the Constitution of Quickflix Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Quickflix Limited shares on the terms of the Share Purchase Plan (SPP).
In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:
• the shares the subject of the slip below; and
• any other shares in Quickflix Limited applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below does not exceed $15,000.

Quickflix Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.
Any determinations by Quickflix Limited will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Quickflix Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible shareholders even where Quickflix Limited does not notify you of that event.

Step 1: Registration Name

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Note that Eligible Shareholders may apply for between $500 and $15,000 worth of New Shares in the Company free of brokerage or other transaction costs. The issue price per New Share will be at the lower of (i) a 20% discount to the volume weighted average price of Quickflix fully paid ordinary shares ("Shares") calculated over the last 5 days on which sales in Shares were recorded before the issue date of the New Shares or (ii) 1.6 cents per New Share being the closing price for the Shares on Friday, 1 August 2014.

Choose one of the payment methods shown below.
BPAY®: See overleaf. Do not return the slip with BPAY payment.

By Mail: Complete the reverse side of this slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Quickflix Limited"** and cross **"Not Negotiable"**. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below. Receipts will not be forwarded.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

® Registered to BPAY Pty Limited ABN 69 079 137 518

Turn over for details of the Offer ➔

Share Purchase Plan Application Form

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STEP 1 Registration Name & Offer Details

For your security keep your SRN/ HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details:

Record date: **5.00pm (WST) Friday 1 August 2014**

Minimum value available to purchase: **$500**

Maximum value available to purchase: **$15,000**

STEP 2 Make Your Payment

Biller Code: 999999
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:

Make your cheque, bank draft or money order payable to **"Quickflix Limited"** and cross **"Not Negotiable"**.
Return your cheque with the below slip to:

Quickflix Limited
c/- Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 4.00pm (WST) Monday, 25 August 2014. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor the Company accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the slip below must be received by CIS by no later than 5.00pm (WST) Monday, 25 August 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Shareholders outside Australia will need to affix the appropriate postage. Return the slip below with cheque attached. Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Detach here

Purchase Details for Quickflix Limited

You may apply for amount between $500 and $15,000

A$ ______ . __

Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (WST) Monday 25 August 2014

Contact Details

Contact Name ____________________ **Daytime Telephone** ____________

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A$

123456789123456789+0000000001-3051+14