

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

18 November 2016

Dear Sir/Madam

Quickflix Limited (Subject to Deed of Company Arrangement)
ACN 102 459 352
("the Company")

I refer to the Deed of Company Arrangement (**DOCA**) executed on 6 October 2016 between the Company, the Administrators and Karma Media Holdings LLC (**Karma**).

As previously advised, on Thursday, 20 October 2016 the Deed Administrators submitted an application to the Australian Securities and Investments Commission (**ASIC**) seeking relief from the operation of section 606 of the Corporations Act 2001 (**Act**) in order to enable the Deed Administrators to transfer, and Karma to acquire, all the shares in the Company in accordance with section 444GA(1)(b) of the Act and the terms of the DOCA.

On 3 November 2016 ASIC advised the Deed Administrators that it would not be able to consider the application for relief submitted by the Deed Administrators in the absence of an Independent Expert Report (**IER**) opining on the value of the shares of the Company. Further, ASIC advised the Deed Administrators that it was its view that the IER should be made available to:

- the Supreme Court of Western Australia (**Court**) to assist the Court with its decision on the request for leave to transfer the shares of the Company pursuant to section 444GA(1)(b) of the Act filed by the Deed Administrators on 28 October 2016 (**Application**); and
- the shareholders of the Company to assist them to decide whether they wish to file a defence to the Application.

The Deed Administrators engaged BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare the IER. The Deed Administrators received the IER from BDO today. A copy of this report is now available and can be accessed via the Deloitte website at www.deloitte.com/au/quickflix or via the Company's announcements on the Australian Securities Exchange (ASX: QFX). Alternatively, you may request a copy of the IER by contacting Tyron Lopes on (08) 9365 8171 or via email at quickflix@deloitte.com.au.

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In order to give ASIC, shareholders and other interested parties the opportunity to consider the IER, the Deed Administrators have today filed a request to the Court to extend the deadline by which interested parties have to file any defence to the Application by one (1) week from Friday, 25 November 2016 to Friday, 2 December 2016. Further, the Deed Administrators have sought to defer the Court hearing by one (1) week from Tuesday, 6 December 2016 to Tuesday, 13 December 2016 at 9.15am (AWST). The Deed Administrators will advise the outcome of the request as soon as possible.

Yours faithfully

Jason Tracy
Joint and Several Deed Administrator

Encl.