

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

13 December 2016

Dear Sir/Madam

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

We refer to our previous announcements to the market with respect to the following applications made by the Deed Administrators in accordance with the terms of the Deed of Company Arrangement executed by the Company, the Administrators and Karma Media Holdings LLC (**Karma**) on 6 October 2016:

1. The 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
2. The application to the Supreme Court of Western Australia (**Court**) seeking leave for the Deed Administrators to transfer all of the existing shares of the Company to Karma pursuant to section 444GA(1)(b) of the Act.

We provide below an updated in relation to both matters.

Application to the Court

We advise that the Court has today made orders that the Deed Administrators are granted leave to transfer all of the existing shares of the Company to Karma pursuant to section 444GA(1)(b) of the Act and clause 4.1 of the DOCA.

Application to ASIC

We advise that on 12 December 2016 we received a notice from ASIC advising that in principle it will grant the relief sought by the Deed Administrators. ASIC advised that its decision does not take effect until a formal instrument of relief is executed and that ASIC would execute that instrument if, and only if, the Court grants leave to transfer all of the existing shares of the Company to Karma pursuant to section 444GA(1)(b) of the Act and the terms of the DOCA.

Given that the Court has today made an order granting the Deed Administrators leave to transfer all of the existing shares of the Company to Karma pursuant to section 444GA(1)(b) of the Act, we anticipate that the formal instrument of relief will be executed in the coming days.

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Next steps

Upon the execution of the formal instrument of relief, the following will occur:

- Karma is required to make the final payment to the Deed Administrators of \$400k within 5 days of execution of the formal instrument of relief, being the last of the conditions precedent for payment of the funds
- Upon receipt of the \$400k from Karma, the DOCA will be completed and the Company will exit from external administration.

Upon completion of the DOCA, the following will occur:

- The Deed Administrators will transfer all of the shares in the Company to Karma
- A Creditors' Trust Deed will be executed and the Deed Fund (after payment of the Administrators' fees and costs) will be transferred to the Trust Fund for the purpose of paying a dividend to admitted creditors of the Company in accordance with the terms of the Creditors' Trust Deed.

Yours faithfully

Jason Tracy
Joint and Several Deed Administrator