

ASX AND MEDIA RELEASE

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ZipT Launches App to Over 130,000 Users in Pilot Phase

- Phase one pilot launch of ZipT app initiated and ready for roll out across key target markets
- Target markets include India, Brazil, Mexico, US, UK
- Increase in targeted users from 50,000 to 130 000, following positive internal testing
- Focus on Android market as key distribution platform in regions
- Performance based acquisition with targets and capped volumes
- Utilises existing distribution agreements with Airloyal and Mpire Media
- Pilot results to build the framework for global expansion and next roll out phases
- Public launch of the ZipT App post completion of Phase One pilot launch expected in Q1 2015 being ahead of schedule

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce it will, as planned, commence the pilot rollout of its ZipT application on Monday 22nd December 2014.

ZipT is a mobile based international communication application that allows consumers to SMS and make international calls for free, App to App, or at low cost to any landline or mobile globally.

As previously communicated, the first phase of the commercial roll out is a pilot launch, which is strategically focused to target and acquire users across the five key target countries including; India, Brazil, Mexico, USA and UK. The primary goal of the pilot phase is to acquire the initial user base of 130,000 users, an increase from the 50,000 users previously announced on 14 November 2014, due to the outstanding internal testing results across 2G, 3G, 4G and Wi-Fi environments.

The pilot phase will allow ZipT to continue to test and further enhance the App, resolve any last technical issues not found prior to launch and obtain user feedback about signup process, App quality and call quality. The statistics and feedback to be gained in the pilot phase will shape the framework for future growth, including analytics, monetisation, engagement and retention tools, enhancing the App for an improved user experience upon a wider roll out.

The initial target markets have been carefully selected and targeted based on several characteristics, which are aligned with ZipT's goals and ZipT's ability to penetrate these markets at an initial stage and monetise the App.

India – Primary Pilot Phase commencing 22nd December 2014

- Abundance of traffic and Android users
- Low price of install allows a high number of users to be acquired within a planned budget
- Engaged audience that use apps frequently

- Poor coverage of high speed internet makes it ideal proving ground for ZipT
- Ability to promote product before it is publically available via Ladoo platform owned by our distribution partner Airloyal
- Ladoo platform also allows users to be incentivised to fill out surveys about App quality

Promotion of the App will be through Ladoo platform, as part of the Airloyal agreement, and will target approximately 80,000 users over several steps. The distribution agreement will initially target 10,000 users. These 10,000 users will be installations of the pilot version, which is not available yet as a public download. It will be executed over a two to three week period to allow ZipTel to analyse feedback, fix issues and measure engagement and retention.

The acquisition of the next 70,000 users will be via the Google Play store distribution through the Mpire Media agreement. This phase will measure engagement, retention, and begin organic growth and virality.

Brazil, Mexico, USA and UK – Secondary Pilot Phase

Acquisition of users in secondary target markets is estimated to take a few weeks and is scheduled to begin mid January 2015.

- Huge potential in all four markets for future expansion following pilot launch
- Very high smartphone (especially Android) penetration
- Highly engaged audience that spends a lot of time in apps
- Poor and expensive cellular service makes it ideal to disrupt with ZipT
- Very large markets with strong ARPU figures potential

Marketing will be done through Mpire Media as part of existing distribution agreement and will target to acquire 50,000 users, spread across the five countries. Mpire Media will acquire users in these markets via a performance based advertising model where ZipTel will only pay for installs resulting in registered users.

The second and third phase of the commercialisation roll out strategy will focus on load testing, optimisation, scale and full deployment of the ZipT App, and will take place post completion of the Phase One Pilot Launch, concentrating on rapid scale and increase volume of users.

ZipTel's Co-founder and CEO Bert Mondello commented:

"We're delighted to be initiating the first phase of our commercialisation roll out strategy. Our targeted roll out strategy focuses on acquiring users in five major countries, with an initial target user base of 130,000. The next three months are a critical time for the ZipT Application, and we'll be constantly monitoring the performance during this pilot phase to optimise the App for a wider roll out early in 2015."

ZipTel is undertaking a promotional offer to the first 50,000 users who register on the site at www.zipt.com before the 31 December 2014. The first 50,000 users will become founding VIP ZipT members and will get access to exclusive promotional offers when the App is launched.

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus primarily on the distribution of three core communications products, both domestically and internationally.

About ZipT

ZipT is a mobile based international communication application that allows consumers to SMS and make international calls for free, App to App. The application is able to call any landline and mobiles at some of the world's lowest rates. ZipT has the ability to deliver crystal clear sound quality in lower bandwidth data environments and allows consumers to retain their existing phone number, service provider and SIM card, with no lock-in contracts. ZipT does not require an sim card and can be installed on any Smartphone. ZipT uses less data than similar products already available on the market, and is compatible with Wi-Fi or any other mobile network.

For more information visit www.zipt.com.

