



ASX ANNOUNCEMENT
6 October 2015

Significant Reduction in TV2U Acquisition Price and deferral of Shareholder Meeting

Galicia Energy Corporation Limited (**GAL** or the **Company**) is pleased to announce that, through successful renegotiation, it has achieved a significant reduction in the purchase price of TV2U Worldwide Pty Ltd (**TV2U**) by reducing the acquisition cost in the Head End asset sale agreement from US\$1.8m to A\$300,000.

GAL also announces that, as a result of the lower purchase price, the minimum capital raising required to complete the transaction has been reduced to A\$4 million from A\$6 million.

The Head End asset sale agreement provides that TV2U Singapore Pte Ltd, a wholly owned subsidiary of TV2U, will purchase from TV2U Pty Ltd the head end based in Kuala Lumpur, together with certain hardware, middleware and software assets relating to the TV2U business, including title to certain of the IVAN assets and related analytics.

Mr Nick Fitzgerald, the controlling shareholder of TV2U Pty Ltd and proposed CEO of TV2U, has agreed to a reduction in the purchase price so that more of the funds raised under the proposed equity raising by the Company can be applied towards development of the TV2U business, rather than cash proceeds leaving the company group for an asset purchase.

In light of the above, the shareholder meeting has been pushed back by a further two weeks to **21 October 2015 at 10am** (at the same venue) so that the IER and explanatory statement to the Notice of Meeting can be updated and sent to shareholders again (to reflect this material change).

Peter Wall, Non-Executive Chairman of Galicia Energy commented "We are extremely happy with the reduction in the acquisition price and are very grateful to Mr Nick Fitzgerald for agreeing to this change. It demonstrates his confidence in the value of the equity he will receive as consideration under the terms of the deal with TV2U."

TV2U Convertible Notes

In recent weeks, TV2U has raised \$560,000 by the issue of convertible notes (**Convertible Notes**). The Convertible Notes will be partially satisfied by the issue of securities in GAL upon completion of the acquisition of TV2U on the following terms:

- (a) as to \$200,000 of the Convertible Notes, by the issue of shares in GAL at \$0.014 per share; and
- (b) as to \$360,000 of the Convertible Notes, by the issue of shares in GAL at \$0.016 per share together with one free attaching option for each share issued exercisable at \$0.03 each on or before 31 December 2018 and additional shares in lieu of interest at 10% per annum.



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The total number of securities in GAL to be issued on conversion of the Convertible Notes is 37,302,323 shares and 22,500,000 options.

GAL has also agreed to issue a further 8,571,429 shares on conversion of convertible notes issued to a legacy investor in TV2U. These shares are in addition to the GAL shares to be issued on conversion of convertible notes for which shareholder approval is sought at the upcoming shareholder meeting.

Capital Structure

The revised capital structure of the Company following completion of the acquisition of TV2U, the issue of additional shares on conversion of the Convertible Notes and minimum capital raising of \$4m is expected to be as follows:

| | Shares | Performance Shares | Options |
|--|-------------------------|----------------------|--------------------------|
| Securities currently on issue ¹ | 762,247,323 | Nil | 7,882,362 ² |
| Consideration Securities to be issued to TV2U Shareholders (and their nominees) | 714,285,714 | 1,035,714,286 | Nil |
| Securities to be issued pursuant to Capital Raising (to raise \$4 million at \$0.02 per share) | 200,000,000 | Nil | Nil |
| Securities to be issued to TV2U convertible note holders | 92,302,323 ³ | Nil | 22,500,000 ⁴ |
| Securities to be issued to GAL corporate adviser | Nil | Nil | 100,000,000 ⁵ |
| Total⁶ | 1,768,835,360 | 1,035,714,286 | 130,382,362 |

Notes:

1. In addition, the Company has 9,000,000 performance rights currently on issue. Refer to the 2014 annual report of the Company for a summary of the terms on which the performance rights were issued.
2. Unlisted options exercisable at \$0.17 on or before 29 February 2016.
3. Comprised of 46,428,571 shares for which shareholder approval is sought at upcoming shareholder meeting and 45,873,752 shares as described above.
4. Unlisted options exercisable at \$0.03 each on or before 31 December 2018.
5. Unlisted options exercisable at \$0.03 each on or before 3 years from the date of reinstatement to trading of GAL shares on ASX.
6. The above table assumes the minimum capital raising of \$4 million. The maximum capital raising is \$10 million. If the Company accepts subscriptions over the minimum capital raising of \$4 million, the number of shares issued by the Company as indicated in the table above will increase accordingly.



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About TV2U

TV2U is a pioneer in innovative technologies and business concepts, empowering customers to increase profitability by generating global revenue through cost-effective cloud-based interactive OTT/IPTV managed services, or as a physically deployed solution at the operator's facility.

TV2U's Intelligent Video Accessible Network (IVAN) is the enabler for content monetisation to multiple consumption devices with features including: real-time analytics, and targeted advertising by device, location or individual consumer.

TV2U is headquartered in United Kingdom with regional offices in Hong Kong, Singapore, Indonesia, and Australia. TV2U also has local global representation through regional partners. For more information, please visit: www.tv2u.com.