

16 December 2015

STREAM GROUP LIMITED (ASX:SGO)

ASX Release

As previously advised the Directors of Stream Group Ltd have been pursuing a number of funding alternatives to repair its Balance Sheet due to the losses incurred in the year ended 30 June 2015. Although SGO received funding commitments from a number of existing and new shareholders, the capital raising was contingent on Stream Group Aust Pty Ltd ("SGA") being able to extend its existing contract with its largest Australian client.

SGA has been in discussion with the client about a number of performance issues in relation to the contract. In the circumstances, no extension to the contract was reached. Having sought professional advice, the Board of SGA has resolved to place SGA into voluntary administration. Mr John Park of FTI Consulting has been appointed to act as Voluntary Administrator.

Placing SGA into voluntary administration is not expected to affect Stream's businesses in New Zealand or the UK. Stream Group (NZ) Pty Ltd and Stream Claims Services U.K. Limited ("Stream UK") both operate as independent, self-contained and self-managed entities. SGA has no shareholding in either company and provides no services to or receives any services from either company.

We also advise that a European-based investor has injected GBP200,000 (~\$A416,000) into Stream UK for a 34% interest. The funds will be used to facilitate that company's growth. Having a local investment partner will also bring new opportunities and local knowledge to Stream UK.

We also advise that Don McKenzie has resigned as a director of Stream Group Limited. Don founded the Stream Group in 2007 and has worked tirelessly in developing the group since then. The directors thank Don for his strong commitment over the years.

The Board is assessing any funding requirements for the remaining business and will provide an update on this over the coming days and intends for the voluntary suspension of its securities to be lifted at that time.

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