

23 May 2016

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Newzulu Limited ("**Newzulu or the Company**") is undertaking a non-renounceable entitlement issue to shareholders and performance rights holders of 208,815,958 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.01 each to raise up to approximately \$2,088,159, before costs (**Entitlement Issue or Offer**). Gleneagle Securities is Underwriter to the Entitlement Issue, with Seven West Media and Tiga Trading Pty Ltd (**Thorney**) acting as joint sub-underwriters.

The Company will pay Gleneagle Securities a management fee equal to 3% of the amount underwritten (being \$62,645) and a capital raising fee equal to 3% of the amount underwritten (being \$62,645).

The funds raised from the Entitlement Issue will be used to grow sales revenues from Newzulu's Technology, Content and Creative Services business units, with a particular focus on the USA market. Additionally, the proceeds will be used for general working capital and to cover costs of the Entitlement Issue.

The Entitlement Issue will be offered to shareholders and performance rights holders registered at the Entitlement Record Date (as defined below) with a registered address in Australia or New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

Following completion of the Offer and based on the number of Shares currently on issue, the Company will have issued approximately 208,815,958 New Shares resulting in total Shares on issue of approximately 1,042,969,790.

Newzulu announces the record date of 5:00pm (AWST) on 25 May 2016 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). A prospectus containing full details of the Entitlement Issue was lodged with ASIC on 19 May 2016 and will be despatched to all Eligible Shareholders on 27 May 2016. The Prospectus is available on the ASX website (company announcements section, ASX code: NWZ).

Ineligible Shareholders

A Shareholder registered at the Entitlement Record Date who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Issue.

You are not eligible to participate in the Entitlement Issue and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after

taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand, the number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company will appoint Gleneagle Securities (Aust) Pty Limited (**Nominee**) as nominee to sell the rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled. The Company will pay the Nominee a brokerage fee of 1% of share sales (excluding GST) and a fixed fee of \$7,500 (excluding GST).

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. If you require further information, please contact the Company Secretary on +61 8 9321 0715 between 8:30 am and 5:00 pm AWST or via email at investors@newzulu.com.

Yours faithfully



Charles C Koones
Non-Executive Chairman