



1 May 2016

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

IMPORTANT UPDATE ON FIRST 3DCLOUDTV CUSTOMER ORDER

The Board of xTV Networks Limited (ASX:XTV) ("xTV" or "the Company") is informing the market of the latest developments relating to the first 3DCloudTV opportunity.

In the ASX Announcement dated 20 April 2016, xTV announced that it had received a Letter of Intent from AT&T which set out the initial bookings for 2,500 3DCloudTV units on execution of a formal supplier agreement and pending the closure of the final licence or ownership agreement described on the Announcement dated 19 April 2016. The announcement further stated that an initial order for US\$1.8M had been received pending the licence and/or ownership by xTV to commence supply in July 2016.

Given the commitments that the Company had received, the board felt that the circumstances were sufficiently material to warrant a disclosure to the ASX investment community and proceeded with the announcement on 20 April 2016.

Following the announcement, AT&T requested that the Company contact Bloomberg to retract or correct the misinterpretation of the Company's Headline on the announcement dated 20 April 2016. The Company complied, and Bloomberg confirmed to xTV that a correction to the announcement had been made on 21 April 2016. Additionally, xTV posted a Correction on ASX on 22 April, to correct any misinterpretations of the Headline on 20 April. The Company also noted that the \$1.8M order referenced was specifically a contract between AT&T Services, Inc. and the Company, and that while the Singapore Leadership Conference was considered successful, future participation in other conferences was not confirmed.

On 25 April 2016, xTV received notice from AT&T that the contract between AT&T Services, Inc. and the Company was being terminated for convenience, referencing the ASX Announcements dated 19 April and 20 April. The reason for the termination was stated in the termination letter to be that the Announcement dated 20 April had not been approved by AT&T, and that it contained numerous inaccuracies. The Company does not agree that there were inaccuracies in the announcements.

After receiving the notice from AT&T on 25 April, xTV entered into discussions under confidentiality agreements with alternative top telecommunication service providers who would be able to step in with value added services such as financing, installation, on-site maintenance and connectivity options. In each case, these service providers have expressed interest in the potential to supply products and services to xTV customers for 3DCLOUDTV products described here. Discussions with the alternative service providers and end customers are ongoing and incomplete.

The Board of xTV will continue to disclose all further updates on the status of the reported opportunity for 3DCLOUDTV, as well as other related information.

For further information please contact:

Joe Ward
CEO
joe.ward@xtv.net

Jane Morgan
Investor & Media Relations
investors@xtv.net

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