



8 July 2016

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

MARKET UPDATE

- New Directors appointed to support the Company's development
- Full repayment of US\$3M East West Bank loan, and Bergen's loan now secured
- Substantial cost reductions
- Additional funds expected to be raised
- Change of Registered Office

The Board of **xTV Networks Limited (ASX:XTV)** ("xTV" or "the Company") provides the following update on significant changes occurring within the business since the Company entered into a trading halt on 14 June 2016 and was subsequently suspended.

The US\$3M debt to East West Bank that was to be used in part to support a major contract that had been anticipated has been repaid following East West Bank's notice of breach of covenants under the loan agreement.

The Company is presently in default of the terms of the Convertible Securities Subscription Agreement (refer ASX announcement on 31 May 2016) and in consideration of Bergen Global Opportunity Fund, LP's ("Bergen") short-term forbearance in relation to the default, the Company has granted security to Bergen in relation to the amount outstanding to it.

Following the aforementioned events, xTV accepted the resignations of Joe Ward and Tom Reynolds, and appointed Winton Willesee and Eryn Dale as directors of the Company. Mr Willesee has been appointed as Chairman and Miss Dale was also appointed as Company Secretary. The relevant qualifications, skills and experience of Mr Willesee and Miss Dale are annexed to this announcement.

The current financial position has required a restructure of the business operations of the Company including significant reduction in the operating costs of the business. In order to move forward, the Company is reviewing a number of options for raising capital. This is required on the basis that the current cash position may not be sufficient for the long term operations of the Company. Bergen has been supportive of the new Board and the opportunities it presents for the Company.

Once the restructure is finalised, the Company will prepare a submission to ASX, seeking a lifting of the suspension and re-instatement of the shares of the Company to trading. The time period for

the completion of this submission being and subsequent consideration by the ASX is dependent on the restructure being implemented.

The Company has moved its registered office to Suite 25, 145 Stirling Highway, Nedlands WA, and has a new contact number is (08) 9389 3110.

For further information please contact:

Winton Willesee
Chairman
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Important Notice

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xTV does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of xTV, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

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Annexure: Qualifications, Skills and Experience of Incoming Board Members**Winton Willesee***Chairman*

Mr. Willesee is an experienced company director and brings a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance. Mr. Willesee has considerable experience with ASX listed and other companies over a broad range of industries in a number of jurisdictions having been involved with many successful ventures from early stage through to large capital development projects. Mr. Willesee holds formal qualifications in economics, finance, accounting, education and governance. He is a Fellow of the Financial Services Institute of Australasia, a Member of the Australian Institute of Company Directors, a Member of CPA Australia and a Chartered Secretary.

Erlyn Dale*Non-executive Director and Company Secretary*

Miss Dale brings a broad range of experience in the operations of listed companies and corporate governance having held positions as non-executive director and/or company secretary for a number of ASX listed public companies across a range of industries. Ms Dale has completed a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma of Applied Corporate Governance and is an Associate Member of both the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia.
