
Operations Update

- **Punjab National Bank extends existing ATM contract for deployment of a further 200 ATM sites**
- **TSI India in active discussions with new and existing Banks**
- **TSN in active discussions with I.T./online/mobile technology companies**

The Directors of Transaction Solutions International Ltd (“TSN”) are pleased to provide a general operations update to shareholders.

Since announcing the finalization of a \$22 million investment in to TSI India in August 2013, for which first tranche funds have been received, the TSI India management team has been actively engaged in a number of initiatives focused on the growth of the company.

TSI India granted contract expansion for more ATM sites with Punjab National Bank (“PNB”)

Under TSI India’s existing agreement with PNB, and due to the strong reputation in delivery, TSI India has accepted an expansion to their agreement to deploy up to a further 200 PNB ATM’s, with deployment beginning immediately.

Active discussions with new and existing banks for ATM deployment

The management team has been in active discussions with both new and existing ATM bank customers and reviewing the best opportunities. Discussions are ongoing with TSI India and the banks are keen to engage based on acceptable commercial terms being finalized.

TSN – active discussions with potential partners in mobile/online payments

The board of TSN has been actively identifying and reviewing new opportunities for increasing shareholder value. TSN has chosen to initially scope opportunities with reputable online/mobile payment companies, with the intent to leverage its relationships in India and provide the Indian market with these technologies.

Whilst the Board is open to look at all opportunities in the interests of shareholders, it will review opportunities in the above mentioned sector as a first option.

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About TSI India

Founded in 2005, TSI's business is a rapidly growing bank ATM deployment and E-transaction financial services business based in India. Operational in India since 2006 the company now has in excess of 1,100 ATMs fully operational and generating revenue. It has further contracts to allow deployment for up to a further 700 ATMs.

The company's business model is to build recurring revenue through the deployment of ATMs as well as service the financial payments sector through automation of bill payment processes, in a market that is migrating from paper based to electronic transactions.

TSI owns, manages and operates its financial hardware and systems, in return for a fee per transaction. This recurring revenue model assists TSI in producing a business model that is highly scalable.

TSI has agreements with a large number of national companies including major banks, utilities and corporates. It is these corporations (not consumers) who form TSI's customer base, and from who TSI receives its revenues.

Supported by the strong infrastructure and business platform built over the last 6 years, and a leading market reputation the business is now scalable by the installation of new ATM's and building on the recently introduced bill payments capability. Barriers to entry in the sector are high with regulatory and banking approvals required. TSI has successfully overcome those barriers, as reflected in its growth profile and the increasing demand for its ATM outsourced business.