

## ASX/Media Release

(ASX: ESN)

28 November 2012

### 2012 Annual General Meeting Chairman's Address to Shareholders

It has been a year of progress and achievement for the Company, capped off with the launch of its KNeoWORLD product in the US market in September 2012.

The 2012 financial year commenced with the Company successfully completing its recapitalisation pursuant to a non-renounceable rights issue and public offer in July 2011. Subsequent to this the Company's shares were re-quoted on the ASX with trading resuming on 25 July 2011.

The re-quotations of the Company's shares on the ASX marked a significant milestone for Entellect, and represented the conclusion of a challenging period of reconsolidation, restructuring and rebuilding of the Group's corporate, capital and project base which had formed part of the Board's strategic initiatives to generate shareholder value.

With its strengthened balance sheet, and recapitalisation complete, the Company focussed on the development and commercialisation of its key business, KNeoWORLD, through the Company's 60% owned joint venture, Knowledge Nation. KNeoWORLD is an educational games portal, through which education-based games and applications are delivered in the form of successive Games Bundles.

Whilst the Group's results for the year ended 30 June 2012 reflect that the Group was in the development phase of the KNeoWORLD business it is pleasing to report that we have now entered the commercialisation phase of the developed products.

Subscriptions for Games Bundle 1 were encouraging and management is building on the products to further enhance them and to make them accessible over additional platforms.

The scheduled launch of Games Bundle 2 in early December, will be optimised for Android smart phones and tablets, and will again include world-class educational interactive games augmented and optimised to enhance learning for young students.

Knowledge Nation is rapidly developing its iOS strategies to enable successive Games Bundles to be optimised for iPads and iPhones, to allow KNeoWORLD to cater for a wider market and to be platform agnostic and truly market driven.

In order to obtain additional funding necessary to advance the marketing program of the KNeoWORLD games portal, the Company has in recent weeks raised \$500,000 through the issue of convertible notes to sophisticated investors, and is currently making an offer of shares to existing eligible shareholders under a

share purchase plan. Under the offer, eligible shareholders will have the opportunity to subscribe for up to \$15,000 worth of shares, at an offer price of \$0.002 per share. The offer under the share purchase plan opened last week, and is scheduled to close on 14 December 2012. On behalf of the Board I encourage shareholders to participate in the share purchase plan, and particularly those who wish to augment their existing holdings to marketable parcels, while assisting the Company to further its objectives.

The Company has now entered a significant phase of development and commercialisation as we seek through KNeoWORLD to capitalise on the growing online computer, tablet, and smart-phone platforms in the untapped market of educational entertainment. The Directors believe KNeoWORLD represents a significant opportunity to participate in the rapidly expanding mobile and educational games industry, and we look forward to keeping shareholders informed of advancements in achieving the Company's business plan as they occur over the current financial year.

**-Ends**

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