

ASX RELEASE

28 December 2016

Expiry of ASX listed options (ASX: ZIPO)

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) notifies the holders of the Company's 29,720,388 quoted options (exercisable at \$0.30) (ASX: ZIPO) ("Options") that the Options will expire, effective 5.00 pm AEDT on 6 January 2017. The Company has not complied with the notice period set out in clause 6.1 of Appendix 6A of the ASX Listing Rules or applied for an appropriate waiver due to an administrative oversight. As the exercise price of the Options is significantly far from the market price and the likelihood of holders exercising the Options is remote, the Company sees minimal value from issuing option expiry notices. Accordingly, option expiry notices will not be mailed to holders.

In accordance with paragraph 6.1 of Appendix 6A of the ASX Listing Rules, the Company provides the following information:

- the number of options to which this notice applies is 29,720,388;
- each option exercised entitles the holder to receive one fully paid ordinary share in the Company. If all of the options were exercised, 29,720,388 fully paid ordinary shares in the Company would be issued;
- the exercise price for each option is \$0.30;
- the due date for payment of the exercise price is 5.00 pm AEDT on Friday, 6 January 2017 (Expiry Date);
- If payment is not received before the Expiry Date, the Options will expire unexercised and all rights will cease;
- official quotation of the options will cease on 28 December 2016, being five business days before the Expiry Date;
- the market price of fully paid ordinary shares in the Company on 23 December 2016 (being the last trading day prior to the date of this notice) was \$0.12;
- during the last three months preceding the date of this notice, the highest market price of fully paid ordinary shares in the Company was \$0.165 on 26 October 2016 and the lowest market price is \$0.10 on 12 December 2016; and
- no underwriting agreement currently exists in respect of these Options.