

14 November 2016

Performance Rights Waived

On 20 October 2015, Shareholders approved the issue of 3,300,000 Performance Rights to the Directors of ZipTel Limited ("ZipTel" or "the **Company**", ASX: ZIP). These Performance Rights would vest and convert on a 1:1 basis to fully paid ordinary shares in the Company upon achievement of 10,000,000 installations by third party customers of the Company's Zipt mobile application.

The 10,000,000 Zipt installs milestone was subsequently achieved, as announced on 4 April 2016.

Although the Company has achieved the milestone required for conversion of the Performance Rights, the Directors have decided to forfeit this grant, with no further obligation to the Company. In light of the Company's share price performance, the Directors believe this action is appropriate and demonstrates their long term commitment to the Shareholders.

The Board still considers that Performance Rights are an appropriate form of long term incentive to drive continual performance by the Company's key management personnel. The Company is confident it will achieve cash flow positive operations in 2017 via its new focus on a new to market "Enterprise Strategy" and improvements in the Zipt Consumer Model. Any future Performance Rights issued to the Directors will be tied to appropriate cash flow positive financial metrics.

-Ends-

For more information please contact:

ZipTel Limited

Bert Mondello
CEO
T: +61 8 6252 4224
W: www.ziptel.com.au

Keaton Wallace
Executive Director
T: +61 8 6252 4224
W: www.ziptel.com.au

About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to consumers and businesses, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus the Zipt mobile based communications application. A video outlining the Zipt 2.0 application is available at the following link: <http://zipt.io/z2preview>.

About Zipt

Zipt is a mobile-based international communication App that enables consumers to send SMSs and make international calls for free between users. The App can also call any landline or mobile at some of the world's lowest call rates. Zipt delivers crystal clear sound quality in lower bandwidth data environments and allows consumers to retain their existing phone number, service provider and SIM card, with no lock-in contracts. Zipt does not require a SIM card and can be installed on any smartphone or tablet on compatible platforms. Zipt uses less data than similar products already available on the market, and can be used over Wi-Fi or any mobile network. For more information visit www.zipt.io.