

ASX RELEASE

10 November 2014

\$5 Million Institutional Placement to Accelerate ZipT Subscriber Acquisition

Highlights

- Positions ZipTel on a strong path for rapid expansion and global growth
- Brings new capital from domestic and international institutions
- Accelerates the company's ability to aggressively increase ZipT subscriber acquisitions ahead of launch next month
- Strong balance sheet, with cash reserves of \$8 million

ZipTel Limited (**ASX:ZIP**) ("the **Company**") has successfully raised \$5million via a share placement to domestic and international institutions. The placement of 11,904,761 ordinary shares was completed at 42 cents a share.

A number of new domestic and international institutions participated in the Placement, which has increased the Company's cash reserves to circa \$8 million (after costs of the issue). The proceeds of the raising will enable ZipTel to aggressively increase its marketing efforts and accelerate subscriber acquisitions ahead of the imminent launch of the ZipT application next month.

Recent live demonstrations of the ZipT app exhibited remarkable results compared to other leading Mobile based calling applications, with ZipT consistently providing crystal clear voice quality in bandwidths as little as 8kps and up to 80% less data usage.

Major shareholder K2 Asset Management has participated in the raising to maintain its 16.3% holding. The placement shares are expected to be quoted on the ASX on 14 November 2014.

ZipTel's Co-founder and Executive Director, Keaton Wallace commented:

"We're delighted to have received such strong support from institutional and sophisticated investors. This placement both validates our company strategy and strongly supports the development and roll out of the ZipT application and the ongoing growth of our AussieSim product. Through our distribution deals in place with Mpire Media and Airloyal, the funds raised will allow us to aggressively acquire an initial subscriber base for the ZipT which will in turn lead to further organic growth in subscribers through word of mouth or virality. With the launch of the ZipT application next month, we are another step closer to realising our goal of bringing a superior mobile based calling application, that operates all over the world under all network conditions including low bandwidth environments,"

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, 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 primarily on the distribution of three core communications products, both domestically and internationally.

About ZipT

ZipT is a mobile based international communication application that allows consumers to SMS and make international calls for free, App to App. The application is able to call any landline and mobiles at some of the world's lowest rates. ZipT has the ability to deliver 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. ZipT uses less data than similar products already available on the market, and is compatible with Wi-Fi or any other mobile network.

For more information visit www.zipt.com.

ZipTel is undertaking a promotional offer to the first 50,000 users who register on the site at www.zipt.com. The first 50,000 users will become founding VIP ZipT members and will get access to exclusive promotional offers when the App is launched.

About AussieSim

AussieSim is a wholly owned subsidiary of ZipTel (ASX: ZIP). AussieSim is an international pre-paid travel sim card offering consumers up to 95% savings on talk, text and data whilst travelling overseas across more than 180 countries.

Over the past two and a half years AussieSim has developed a fully integrated retail and online trading solution for the travel sim marketplace. This includes, infrastructure, such as SMS based top up technology, along with a call forwarding platform, which enables customers to receive international calls on their Australian mobiles while travelling overseas. AussieSim has direct partnerships with a number of international telecommunications networks. It has also developed an online trading platform which is scalable, can be rebranded, and is capable of being deployed offshore with domestic currency and different languages.

For more information please visit www.aussiesim.com.au.