ASX ANNOUNCEMENT
23 October 2015

Addendum to Notice of Meeting and update on shareholder meeting timetable

Galicia Energy Corporation Limited (**GAL** or the **Company**) announces that the shareholder meeting to approve, inter alia, the acquisition of TV2U Worldwide Pty Ltd (**TV2U**) will now be held at 10am on **9 November 2015** at the offices of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth WA 6000.

Accompanying this announcement is an addendum to the original Notice of Meeting, together with an updated Independent Expert's Report, both of which will be mailed to shareholders today. The meeting has been moved back so that shareholders have sufficient time to consider the updated information and submit the replacement proxy form which accompanies the addendum to the Notice of Meeting. Proxy forms annexed to the original Notice of Meeting will not be accepted by the Company.

As announced to the market on 6 October 2015, GAL has been successful in negotiating a reduction to the headend acquisition price from TV2U (reduced from US$1.8m to A$300,000) which, in turn, has also enabled GAL and TV2U to agree to a lower minimum subscription for the proposed capital raising (now $4 million).

Further to this, and following expert advice from the Lead Manager of the forthcoming capital raising, the Company will undertake a consolidation of its share capital on a one for two basis ahead of the raising.

The capital raising will still be conducted through the issue of shares (post consolidation) at **not less** than $0.02 each, meaning the Company will still be able to raise funds above this minimum price which is the current intention.

The consolidation is being proposed so that the Company has a cleaner structure with fewer shares on issue, the intention being that this will ultimately be more attractive to institutional investors and sophisticated investors. The Board feels it is important the Company is best positioned to attract high calibre investors who might otherwise have precluded themselves from participating in the capital raising.

Peter Wall, Executive Chairman commented, “We have good faith in the advice we have received and the consolidation gives the Board further confidence in the success of the capital raising.”

"TV2U continues to advance agreements with established global partners (such as Vubiquity announced on 14 October 2015) and we look forward to updating the market on the progress of these commercial arrangements in due course."

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About TV2U

TV2U is a pioneer in innovative technologies and business concepts, empowering customers to increase profitability by generating global revenue through cost-effective cloud-based interactive OTT/IPTV managed services, or as a physically deployed solution at the operator's facility.

TV2U's intelligent Video Accessible Network (IVAN) is the enabler for content monetisation to multiple consumption devices with features including: on-the-fly repackaging, real-time analytics, and targeted advertising by device, location or individual consumer.

TV2U is headquartered in the UK with regional offices in North America, Hong Kong, Singapore, Indonesia, and Australia. TV2U also has local global representation through regional partners. For more information, please visit: www.tv2u.com.

GALICIA ENERGY CORPORATION LIMITED
ACN 110 184 355

ADDENDUM TO NOTICE OF GENERAL MEETING

Galicia Energy Corporation Limited (ACN 110 184 355) (**Company**), hereby gives notice to shareholders of the Company that, in relation to the Notice of General Meeting dated 21 August 2015 (**Notice of Meeting**) in respect of a general meeting of members to be held at 10.00am (WST) on 9 November 2015 at the offices of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth, Western Australia (**Meeting**), the Directors have determined to amend and supplement the information contained in the Explanatory Statement provided to Shareholders in relation to the Notice of Meeting.

Definitions in the Notice of Meeting have the same meaning in this Addendum to the Notice of Meeting unless otherwise updated in this Addendum to the Notice of Meeting. This Addendum is supplemental to the original Notice of Meeting and should be read in conjunction with the original Notice of Meeting. Save for the amendments to the Explanatory Statement set out below, all resolutions and the Explanatory Statement in the original Notice of Meeting remain unchanged.

Annexed to this Addendum to the Notice of Meeting is a replacement Proxy Form. To ensure clarity of voting instructions by Shareholders on the Resolutions to be considered at the Meeting, completed Proxy Forms annexed to the Notice of Meeting will not be accepted by the Company in relation to the Resolutions to be voted on by Shareholders at the Meeting.

To attend the Meeting and vote on the Resolutions by proxy **PLEASE COMPLETE AND RETURN THE REPLACEMENT PROXY FORM** annexed to this Addendum to the Notice of Meeting.

Proxy Forms annexed to the original Notice of Meeting, whether duly completed or not, **WILL NOT** be accepted by the Company or counted in relation to the Resolutions to be considered at the Meeting.

By this Addendum to the Notice of Meeting, the Notice of Meeting and the Explanatory Statement to the Notice of Meeting are amended and supplemented by the information set out in this Addendum to the Notice of Meeting.

SUPPLEMENTARY NOTICE OF MEETING

Resolution 3 of the Notice of Meeting is amended as follows:

3. RESOLUTION 3 – ACQUISITION OF TV2U WORLDWIDE PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of the Resolutions 1, 2 and 11, for the purposes of ASX Listing Rule 7.1 and section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:*
>
> *(a) the Company to issue up to 357,142,857 Shares (on a post-Consolidation basis) to the shareholders of TV2U Worldwide Pty Ltd (**Consideration Shares**);*
>
> *(b) the Company to issue up to 517,857,143 Performance Shares (on a post-Consolidation basis) to the shareholders of TV2U Worldwide Pty Ltd (**Performance Shares**); and*
>
> *(c) the acquisition of a relevant interest in the issued voting shares of the Company by Talico Technologies Pte Ltd (and its associates) otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the number of Consideration Shares and the potential issue of Shares on conversion of the Performance Shares issued to Talico Technologies Pte Ltd,*
>
> *on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the shareholders in TV2U Worldwide Pty Ltd and any of its associates or any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company.

Resolution 8 of the Notice of Meeting is amended as follows:

8. RESOLUTION 8 – ISSUE OF SECURITIES IN SATISFACTION OF CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1-3, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 130,000,000 Shares and 50,000,000 Options on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

An additional Resolution is inserted into the agenda to the Notice of Meeting as follows:

11. RESOLUTION 11 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1, 2, 3 and 5, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every two (2) Shares be consolidated into one (1) Share; and

(b) every two (2) Options be consolidated into one (1) Option,

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

Short Explanation: The Company must consolidate its capital in order to satisfy Chapters 1 and 2 of the ASX Listing Rules and as a condition of the Company's securities recommencing trading on the ASX following completion of the acquisition of shares in TV2U Worldwide Pty Ltd.

SUPPLEMENTARY EXPLANATORY STATEMENT

The first paragraph of Section 1.2 of the Explanatory Statement is deleted and replaced with the following:

1.2 Background on TV2U and its technology

TV2U, and its wholly owned subsidiary, TV2U Singapore Pte Ltd (**TV2U Singapore**) were formed to acquire the key intellectual property, software and hardware previously owned by Nick Fitzgerald (the founder) and TV2U Pty Ltd relating to their OTT and IPTV operations (the **Head End Assets**). The agreement to acquire the Head End Assets provides that TV2U Singapore will pay to TV2U Pty Ltd the lesser of A$300,000 and the amount permitted by ASX Listing Rule 1.1 (condition 10) on the earlier to occur of the date on which the Shares are re-admitted to trading on ASX following completion of the acquisition of TV2U, and six months from the date of the agreement.

Each of Section 1.6 and Section 1.8(b) of the Explanatory Statement is deleted and replaced with the following:

1.6 Transaction Consideration

AND

1.8(c) Heads of Agreement Terms and Conditions

The consideration to be paid by the Company for the acquisition of TV2U was negotiated on an arm's length basis between the Company and the shareholders of TV2U.

On completion of the Transaction, the Company will issue:

(a) 357,142,857 Shares; and

(b) 517,857,143 Performance Shares, comprising:

(i) 89,285,715 Class A Performance Shares;

(ii) 107,142,857 Class B Performance Shares;

(iii) 142,857,143 Class C Performance Shares; and

(iv) 178,571,429 Class D Performance Shares,

to the TV2U shareholders on a pro rata basis as consideration for the Transaction on a post-Consolidation basis (**Consideration Securities**).

The terms and conditions of the Performance Shares are set out at Schedule 2 of the original Notice of Meeting.

The Consideration Securities will be subject to any applicable escrow restrictions under the ASX Listing Rules.

Section 1.8(c) of the Explanatory Statement is amended by deleting and replacing paragraph (iv), and including a new paragraph (viii), each of which is as follows:

1.8 Heads of Agreement Terms and Conditions

(c) (**Conditions Precedent**): The Transaction is subject to satisfaction of certain conditions precedent, including:

(iv) the Company preparing a full form prospectus in accordance with section 710 of the Corporations Act (**Prospectus**), lodging the Prospectus with the ASIC and raising a minimum of <u>**$4,000,000**</u> under the Prospectus through the issue of Shares at a price of not less than $0.02 each (**Prospectus Offer**);

...

(viii) the Company completing the consolidation of its issued capital on the basis that every two (2) Securities on issue be consolidated into one (1) Security (the **Consolidation**).

Sections 1.9, 1.10 and 1.11 of the Explanatory Statement outlined in the Notice of Meeting are deleted and replaced with the following:

1.9 Pro-forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Transaction and other matters is set out at Schedule 1 to this Addendum to the Notice of Meeting.

1.10 Pro-forma capital structure

The Company currently has 762,247,323 Shares and 7,882,362 Options on issue.

Subject to the passing of Resolution 11 (*Consolidation of Capital*), the Company will consolidate its Securities on a one (1) for two (2) basis. Upon completion of the Consolidation, the Company will have 381,123,662 Shares and 3,941,181 Options on issue.

The expected capital structure of the Company following completion of the Transaction (assuming minimum and maximum subscription under the Offer) is as follows:

	Shares	Performance Shares	Options
Minimum subscription – $4 million			
Securities currently on issue (on a pre-Consolidation basis)[1]	*762,247,323*	*Nil*	*7,882,362*[2]
Securities on issue on a post-Consolidation basis	381,123,662	Nil	3,941,181
Consideration Securities to be issued to TV2U Shareholders (and their nominees)	357,142,857	517,857,143	Nil
Securities to be issued pursuant to Capital Raising	200,000,000	Nil	Nil
Securities to be issued on conversion of TV2U convertible notes under Resolutions 8	130,000,000	Nil	50,000,000
Total[3]	**1,068,266,519**	**517,857,143**	**53,941,181**
Maximum subscription – $10 million			
Securities currently on issue (on a pre-Consolidation basis)[1]	*762,247,323*	*Nil*	*7,882,362*[2]
Securities on issue on a post-Consolidation basis	381,123,662	Nil	3,941,181
Consideration Securities to be issued to TV2U Shareholders (and their nominees)	357,142,857	517,857,143	Nil
Securities to be issued pursuant to Capital Raising	500,000,000	Nil	Nil
Securities to be issued on conversion of TV2U convertible notes under Resolutions 8	130,000,000	Nil	50,000,000
Total[3]	**1,368,266,519**	**517,857,143**	**53,941,181**

Notes:

1. In addition to the above, the Company has 9,000,000 performance rights currently on issue. Of the performance rights on issue, 3,000,000 are held by an entity controlled by Peter Wall, a Director, and will convert to Shares subject to the Company completing a capital raising of $10 million. The remaining 6,000,000 performance rights are held by former directors of the Company and will convert to Shares subject to achievement of certain milestones relating to the Limnytska licence. Refer to the 2014 annual report of the Company for a

summary of the terms on which the performance rights were issued. The performance rights will be consolidated on a one (1) for two (2) basis in accordance with the terms on which they were issued.

2. Unlisted Options exercisable at $0.17 on or before 29 February 2016. Upon completion of the Consolidation, the Options will be exercisable at $0.34 on or before 29 February 2016.

3. The above table assumes: completion of the Transaction; no Options are exercised; no Shares are issued other than as described in the table; and the Shares are issued under the capital raising at an issue price of $0.02 (post-Consolidation). This is the minimum price at which Shares will be issued under the capital raising and the issue price may be higher than $0.02, in which case the number of Shares issued under the Capital Raising will be reduced.

1.10 Indicative timetable

Event	Indicative Timing*
Despatch of this Notice of Meeting	23 August 2015
Shareholder meeting to approve the Transaction (and associated matters)	9 November 2015
Lodgement of the Prospectus	9 November 2015
Closing date of Capital Raising	30 November 2015
Completion of Transaction	4 December 2015
Reinstatement to official quotation on ASX	11 December 2015

* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

Paragraph (d) of Section 1.13 of the Explanatory Statement is deleted and replaced with the following:

1.13 Risk factors

(d) **Dilution Risk**

The Company currently has 762,247,323 Shares on issue. On completion of the Consolidation, the Company will have 381,123,662 Shares on issue.

Under the Transaction, the Company will issue 357,142,857 Shares and 517,857,143 Performance Shares as consideration for the acquisition of TV2U and issue a minimum of 200,000,000 Shares at **not less** than $0.02 each to raise a minimum of $4,000,000 as part of the capital raising referred to in Resolution 5. The capital structure upon completion of the Transaction is set out in Section 1.10.

The issue of the Consideration Securities and Shares under the Prospectus will significantly dilute the interests of existing Shareholders. There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

Section 4.1 of the Explanatory Statement is deleted and replaced with the following:

4.1 General

This Resolution 3 seeks Shareholder approval:

(a) to allow the Company to issue the Consideration Securities pursuant to ASX Listing Rule 7.1 to the shareholders of TV2U in consideration for the Transaction; and

(b) to approve the acquisition of a relevant interest in the issued voting shares of the Company by Mr Nick Fitzgerald (through his company, Talico Technologies Pte Ltd) pursuant to section 611 item 7 of the Corporations Act.

The issue of the Consideration Securities will result in Talico's voting power in the Company increasing from 0% to 28.42% upon completion of the Transaction (assuming minimum subscription under the Prospectus Offer and no Options are exercised or Performance Shares converted).

The Consideration Securities include the issue of Performance Shares to the shareholders of TV2U on the terms outlined in Schedule 2 of the original Notice of Meeting. If all of the Performance Shares are converted to Shares, it will result in Talico's voting power in the Company increasing to a maximum of 46.89% (assuming minimum subscription under the Prospectus Offer and no Options are exercised).

Pursuant to ASX Listing Rule 7.2 (Exception 16), shareholder approval pursuant to ASX Listing Rule 7.1 is not required where approval is being obtained pursuant to Section 611 (Item 7) of the Corporations Act. Accordingly, if Resolution 3 is passed, the issue of the Consideration Securities will be made without using the Company's 15% annual placement capacity and the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied in order to obtain shareholder approval under section 611 item 7 of the Corporations Act. The requirements are set out below.

Section 4.2(a) of the Explanatory Statement is deleted and replaced with the following:

4.2(a) ASX Listing Rule 7.1

(a) the maximum number of Consideration Securities to be issued is:

(i) 357,142,857 Consideration Shares; and

(ii) 517,857,143 Performance Shares;

Section 4.3(c) of the Explanatory Statement is deleted and replaced with the following:

4.3(c) Talico's entitlement in the Company

Talico does not currently hold any Shares or Options in the Company.

Following the completion of the Transaction and assuming no Options are exercised and no other Shares are issued other than pursuant to this Notice, Talico's shareholding and voting power in the Company will be as follows:

Maximum holdings of Talico following the issue of Consideration Securities

	Voting Power as at the date of this Notice	Shares	Performance Shares	Voting Power after issue of Consideration Securities	Voting Power after conversion of Performance Shares
Minimum subscription – $4 million					
Talico	0%	303,571,428	440,178,572	28.42%	46.89%
Other Shareholders	100%	764,695,091	77,678,571	71.58%	53.11%
Total	-	**1,068,266,519**	**517,857,143**	-	-
Maximum subscription – $10 million					
Talico	0%	303,571,428	440,178,572	22.19%	39.43%
Other Shareholders	100%	1,064,695,091	77,678,571	77.81%	60.57%
Total	-	**1,368,266,519**	**517,857,143**	-	-

Section 4.4 of the Explanatory Statement is deleted and replaced with the following:

4.4 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following completion of the Transaction, assuming no other Shares are issued (other than as contemplated by this Notice) and assuming minimum subscription under the Prospectus Offer and no Options are exercised, Talico and Mr Fitzgerald will have a relevant interest in 303,571,428 Shares and 440,178,572 Performance Shares in the Company, representing 28.42% voting power in the Company prior to the conversion of any Performance Shares, and 46.89% following the conversion of all Performance Shares.

Accordingly, this Resolution seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Securities.

Section 4.5(a), (b), (c) and (d) of the Explanatory Statement are deleted and replaced with the following:

4.5(a) Identity of the Acquirer and its Associates

It is proposed that Talico will be issued with 303,571,428 Consideration Shares and 440,178,572 Performance Shares in accordance with the terms of the Heads of Agreement as set out in Section 1.3 of this Explanatory Statement. Talico is controlled by Mr Nick Fitzgerald.

No associates of Talico (other than Mr Fitzgerald) currently have or will have a relevant interest in the Company.

4.5(b) Relevant Interest and Voting Power

Relevant Interest

The relevant interest of Talico and its associates in Shares (both current, and following the issue of the Consideration Securities and assuming minimum subscription under the Prospectus Offer) is as follows:

Party	Capacity	Relevant Interest as at the date of this Notice of Meeting	Relevant Interest after the issue of the Consideration Shares	Relevant Interest after conversion of all the Performance Shares
Talico	Shareholder	Nil	303,571,428	743,750,000
Mr Fitzgerald	Controller of Talico	Nil	303,571,428	743,750,000

Voting Power

The voting power of Talico and its associates in the Company (both current, and following the issue of the Consideration Shares and assuming minimum subscription under the Prospectus Offer) is as follows:

Party	Voting Power as at the date of this Notice of Meeting	Voting Power after issue of the Consideration Shares	Voting Power after conversion of the Performance Shares
Talico (and its associates)	0%	28.42%	46.89%
Other Shareholders	100%	71.58%	53.11%
TOTAL	**100%**	**100%**	**100%**

Further details on the voting power of Talico (and Mr Fitzgerald) are set out in the Independent Expert's Report prepared by RSM Bird Cameron.

4.5(c) Summary of increases

The estimated maximum relevant interest that Talico and its associates will hold after completion of the Transaction is 303,571,428 Shares and, if all Performance Shares issued to Talico are converted in accordance with the terms on which they are issued, 743,750,000 Shares, and the maximum voting power that Talico and its associates will hold is 46.89%.

4.5(d) Assumptions

The following assumptions have been made in calculating the above voting power:

(i) upon completion of the Consolidation, the Company will have 381,123,662 Shares and 3,941,181 Options on issue. The information in this Section 4 assumes completion of the Consolidation;

(ii) no Options are exercised following the date of this Notice;

(iii) the Company receives the minimum subscription for Shares under the Prospectus Offer (200,000,000 Shares at an issue price of $0.02 each to raise $4,000,000);

(iv) the Company does not issue any additional Securities other than pursuant to this Notice of Meeting; and

(v) Talico and its associates do not acquire an interest in any additional Securities other than under this Resolution.

Section 6.1 of the Explanatory Statement (Resolution 5) is deleted and replaced with the following:

6.1 General

This Resolution seeks Shareholder approval for the issue of up to 500,000,000 Shares (on a post-Consolidation basis) at an issue price of not less than $0.02 per Share to raise up to $10,000,000 under a Prospectus.

It is a condition precedent to completion of the Transaction that the Company issues the Prospectus to raise up to a minimum of $4,000,000 by the issue of a minimum of 200,000,000 Shares at an issue price of **not less** than $0.02 per Share.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Prospectus during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Section 8 of the Explanatory Statement is deleted and replaced with the following:

8. RESOLUTION 8 – ISSUE OF SECURITIES IN SATISFACTION OF CONVERTIBLE NOTES

8.1 General

TV2U has issued, and intends to issue prior to completion of the Transaction, various convertible notes to sophisticated investors with an aggregate face value of $1,650,000 (**Convertible Notes**). The funds raised by TV2U have been and will be applied to working capital and technology development expenditure.

This Resolution seeks Shareholder approval for the issue of up to 130,000,000 Shares and 50,000,000 Options (each on a post-Consolidation basis) in satisfaction of all existing Convertible Notes on issue at completion of the Transaction.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Securities on conversion of the Convertible Notes during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Securities in satisfaction of all existing Convertible Notes:

(a) the maximum number of Securities to be issued is 130,000,000 Shares and 50,000,000 Options;

(b) the Securities will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Securities will occur on the same date;

(c) the deemed issue price per Share is as follows:

    (i) in respect of Convertible Notes with an aggregate face value of $800,000, the deemed issue price per Share is $0.016;

    (ii) in respect of Convertible Notes with an aggregate face value of $550,000, the deemed issue price per Share is $0.014; and

    (iii) in respect of Convertible Notes with an aggregate face value of $300,000, the deemed issue price per Share is $0.01;

(d) the Securities will be issued to holders of the Convertible Notes, none of whom is a related party of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) the Options will be issued on the terms and conditions set out in Schedule 2 to this Addendum; and

(g) no funds will be raised from the issue of Securities as the Securities are being issued in satisfaction of the Convertible Notes.

A new Section 11 is added to the Explanatory Statement as follows:

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11. RESOLUTION 5 – CONSOLIDATION OF CAPITAL

11.1 Background

Resolution 5 seeks Shareholder approval to consolidate the number of Securities on issue on a one (1) for two (2) basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and to seek to comply with relevant ASX Listing Rules when the Company seeks to obtain re-quotation of its Shares on ASX.

The Directors intend to implement the Consolidation prior to completion of the acquisition of TV2U and prior to the proposed issues of Securities pursuant to Resolutions 3, 5 and 8.

Assuming the Transaction Resolutions are passed, the number of:

(a) Shares on issue will be reduced from 762,247,323 to 381,123,662 (subject to rounding); and

(b) Options on issue will be reduced from 7,882,362 to 3,941,181 (subject to rounding).

11.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

11.3 Fractional entitlements

Not all holders of Shares or Options will hold that number of Shares or Options (as the case may be) which can be evenly divided by two. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

11.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

11.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

11.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table included in Section 1.10 of this Explanatory Statement.

The terms of the existing Options on issue in the Company will be amended as a result of the Consolidation as follows

Options – Pre Consolidation

Terms	Number
Options exercisable at $0.17 on or before 29 February 2016	7,882,362

Options – Post Consolidation

Terms	Number
Options exercisable at $0.34 on or before 29 February 2016	3,841,181

11.7 Indicative timetable*

If the Resolutions are passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation	23 October 2015
Company sends out Notice of Meeting Addendum	23 October 2015
Company tells ASX that Shareholders have approved the Consolidation	9 November 2015
Last day for pre-Consolidation trading	10 November 2015
Post-Consolidation trading starts on a deferred settlement basis	11 November 2015
Last day for Company to register transfers on a pre-Consolidation basis	13 November 2015
First day for Company to send notice to each holder of the change in their details of holdings	16 November 2015
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	16 November 2015
Change of details of holdings date. Deferred settlement market ends	20 November 2015
Last day for Securities to be entered into holders' Security holdings	20 November 2015
Last day for the Company to send notice to each holder of the change in their details of holdings	20 November 2015

*The timetable is indicative only and is subject to change.

A new definition is added to the Glossary as follows:

GLOSSARY

"***Consolidation*** *means the consolidation of the Company's issued capital being the subject of Resolution 11.*"

DATED 23 OCTOBER 2015

BY ORDER OF THE BOARD

SARAH SMITH
COMPANY SECRETARY

Enquiries: Shareholders are required to contact the Company Secretary on + 61 8 9322 7600 if they have any queries in respect of the matters set out in this Addendum to the Notice of Meeting.

SCHEDULE 1 – PRO FORMA BALANCE SHEET

Item	Galicia Energy Corporation Ltd Consolidated Group 30 June 2015	Subsequent Events and Pro Forma Adjustments	Pro Forma After Issue
ASSETS	$	$	$
Current Assets			
Cash and cash equivalents	1,760,770	1,851,977	3,612,747
Prepayments	35,464	-	35,464
Trade and other receivables	91,836	-	91,836
Total Current Assets	**1,888,070**	**1,851,977**	**3,740,047**
Non-Current Assets			
Investments	-	-	-
Property plant & equipment	308,651	-	308,651
IP Rights	-	-	-
Other assets	2,165	-	2,165
Total Non-Current Assets	310,816	-	**310,816**
TOTAL ASSETS	2,198,886	1,851,977	**4,050,863**
LIABILITIES			
Current Liabilities			
Trade and other payables	672,576	(300,000)	372,576
Other payables	132,500	(132,500)	-
Provisions	255,605	(255,605)	-
Total Current Liabilities	1,060,681	(688,105)	**372,576**
TOTAL LIABILITIES	1,060,681	(688,105)	**372,576**
NET ASSETS	1,138,205	2,540,082	**3,678,287**
EQUITY			
Contributed equity	28,545,811	14,726,428	43,272,239
Reserves	(221,258)	5,942,857	5,721,599
Accumulated losses	(27,186,348)	(18,129,203)	(45,315,551)
TOTAL EQUITY	1,138,205	2,540,082	**3,678,287**

Assumptions/Adjustments

1. Cash, Investments, Payables, Equity and Accumulated losses revised for subsequent event adjustments between balance date and date of this Addendum to the Notice of Meeting
2. Minimum subscription for capital raising of $4,000,000
3. Capital raising costs of $500,000
4. Consolidation on issued capital on a one (1) for two (2) basis
5. Issue of 357,142,857 Shares at a deemed issue price of $0.026 each as consideration for the acquisition of TV2U
6. Fair Value of Performance Shares based on the Board's best estimate of performance milestones being achieved
7. Provision raised for impairment of TV2U Worldwide to FVINA
8. Shares issued in lieu of Convertible Notes issued by or assigned to TV2U Worldwide
9. Repay TV2U Worldwide for Property, Plant & Equipment, and Intellectual Property acquired upon completion of capital raising and relisting
10. Reversal of decommissioning provision on receipt of approval for disposal of Exploration and Evaluation assets at the General Meeting

SCHEDULE 2 – TERMS OF OPTIONS

The terms of the Options to be issued to certain holders of Convertible Notes in TV2U are as follows.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.03 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

RSM Bird Cameron Corporate Pty Ltd

Galicia Energy Corporation Limited

Financial Services Guide and Independent Expert's Report

October 2015

We have concluded that the Transaction is Not Fair but Reasonable to Shareholders of Galicia Energy Corporation Limited.

RSM Bird Cameron Corporate Pty Ltd
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Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 ("RSM Bird Cameron Corporate Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
  - (a) basic deposit products;
  - (b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of the FSG.

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

Independent Expert's Report

TABLE OF CONTENTS **Page**

RSM Bird Cameron Corporate Pty Ltd
AFS Licence No 255847

Direct Line: (08) 9261 9447
Email: andy.gilmour@rsmi.com.au

22 October 2015

Shareholders
Galicia Energy Corporation Limited
PO Box 1263
WEST PERTH WA 6872

Dear Shareholders

Independent Expert's Report ("Report")

1. Introduction

1.1. This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Addendum to Notice of General Meeting and Supplementary Explanatory Statement ("Addendum Notice") to shareholders for a General Meeting of Galicia Energy Corporation Limited ("GAL" or "the Company") to be held on or around 9 November 2015, at which, shareholder approval will be sought for the issue of 357.1 million ordinary shares (post consolidation), and up to 517.9 million performance shares (post consolidation), in GAL as consideration for the acquisition of 100% of the issued capital of TV2U Worldwide Pty Ltd ("TV2U") (the "Proposed Transaction"). The Addendum Notice and this Report are to be read in conjunction with the Notice of General Meeting dated 21 August 2015 ("Notice").

1.2. The Addendum Notice was released as a result of a change in terms for the acquisition of assets acquired by TV2U prior to the Proposed Transaction. Under the revised terms, TV2U will pay $300,000 for assets related to the provision of services by TV2U. Further, the minimum capital raising required under the terms of the Proposed Transaction has been reduced to $4 million and the share capital of GAL will be consolidated on a 1 for 2 basis.

1.3. If the Proposed Transaction is approved, Talico Technologies Pte Ltd (and its associates) ("Talico"), as the major shareholder of TV2U, will initially hold 28% of the issued capital of GAL on an undiluted basis and 47% of the issued capital of GAL on a diluted basis (assuming the performance shares issued to TV2U shareholders convert and no existing options or performance rights convert).

1.4. The Directors of GAL have requested that RSM Bird Cameron Corporate Pty Ltd ("RSMBCC"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").

1.5. The request for approval of the Proposed Transaction is included as Resolution 3 in the Notice. Resolution 3 is subject to the approval of Resolutions 1, 2 and 5 included in the Notice and Resolution 11 included in the Addendum Notice. We have restated these resolutions below:

Resolution 1:

"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Company's Limnytska Licence, being the main undertaking of the Company, on the terms and conditions set out in the Explanatory Statement."

Resolution 2:

"That, subject to the passing of Resolutions 1 and 3, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to acquire 100% of the issued shares in TV2U Worldwide Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Resolution 3:

"That, subject to the passing of the Resolutions 1 and 2, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) the Company to issue up to 357,142,857 Shares to the shareholders of TV2U Worldwide Pty Ltd (Consideration Shares);

(b) the Company to issue up to 517,857,143 Performance Shares to the shareholders of TV2U Worldwide Pty Ltd (Performance Shares); and

(c) the acquisition of a relevant interest in the issued voting shares of the Company by Talico Technologies Pte Ltd (and its associates) otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the number of Consideration Shares and the potential issue of Shares on conversion of the Performance Shares issued to Talico Technologies Pte Ltd,

on the terms and conditions set out in the Explanatory Statement.

Resolution 5:

"That, subject to the passing of Resolutions 1 to 4, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 500,000,000 Shares under the Prospectus and otherwise on the terms and conditions set out in the Explanatory Statement."

Resolution 11:

"That, subject to the passing of Resolutions 1, 2, 3 and 5, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every two (2) Shares be consolidated into one (1) Share; and

(b) every two (2) Options be consolidated into one (1) Option,

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

1.6. When considering the Proposed Transaction, we have included any impact Resolutions 1, 2, 5 and 11 will have on the fairness and reasonableness. Although, we have included the proposed capital raising in our analysis, we have excluded it when considering our opinion on fairness. The Proposed Transaction is also subject to a number of conditions which are described in Section 3. We have considered the impact of any conditions that must be met in order for the Proposed Transaction to complete. We have considered all related resolutions, conditions and revised terms as part of the Proposed Transaction because, without them, the Proposed Transaction cannot complete.

1.7. The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and Conclusion

Opinion

2.1. In our opinion, and for the reasons set out in Sections 11 and 12 of this Report, the Proposed Transaction is **not fair but reasonable** to the Non-Associated Shareholders of GAL.

Approach

2.2. In assessing whether the Proposed Transaction is fair and reasonable to the non-associated shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – Content of Expert Reports ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.

2.3. Where an issue of shares by a company otherwise prohibited under section 606 of the Act is approved under item 7 of section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

2.4. Therefore we have considered whether or not the Proposed Transaction is "fair" to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a share in GAL on a control basis pre the Proposed Transaction; with
- The Fair Value of a share in GAL on a non-control basis immediately post completion of the Proposed Transaction,

and, considered whether the Proposed Transaction is "reasonable" to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

2.5. Further information of the approach we have employed in assessing whether the Proposed Transaction is "fair and reasonable" is set out at Section 3 of this Report.

Fairness

2.6. Our assessed values of a GAL share prior to and immediately after the Proposed Transaction, are summarised in the table and figure below.

Assessment of fairness	Ref:	Value per Share Low	High
Fair value of a GAL share pre the Proposed Transaction - Control basis	8.23	$0.005	$0.005
Fair value of a GAL share post the Proposed Transaction - Non control basis and excluding the capital raising	9.23	$0.001	$0.004

Table 1: Assessed values of a GAL share pre and post the Proposed Transaction *(Source: RSMBCC analysis)*

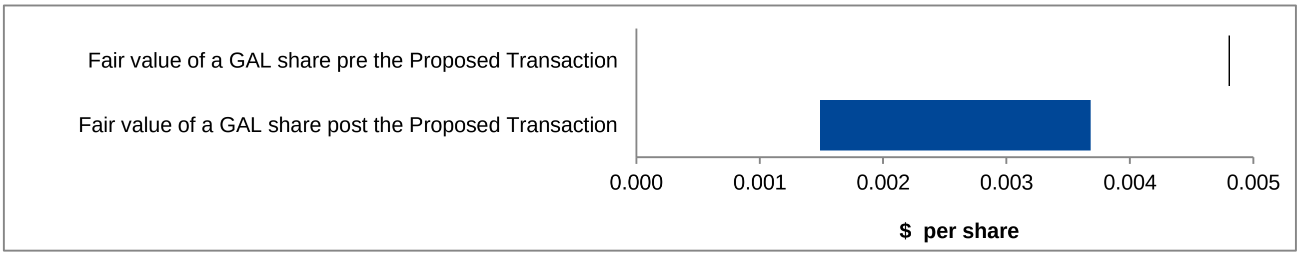

Figure 1: GAL Share Valuation Graphical Representation (*Source: RSMBCC Analysis)*

2.7. In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Corporations Act 2001, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of GAL, as the value of a GAL share post the Proposed Transaction is less than the value of a GAL share pre the Proposed Transaction.

2.8. In order to assess the impact of the Performance Shares, we have also analysed the value of a GAL share pre the Proposed Transaction to the value of a GAL share post the Proposed Transaction assuming the minimum requirement of each Performance Share is achieved. The following table summarises this analysis:

Milestones	Ref	Assessed value if Performance Shares issued $	Fair?
Class A Performance Shares	10.15	0.032	Fair
Class B Performance Shares	10.15	0.059	Fair
Class C Performance Shares	10.15	0.085	Fair
Class D Performance Shares	10.15	0.095	Fair

Table 2: Valuation of a GAL share when Performance Shares are converted (Source: RSMBCC Analysis)

2.9. The table above indicates that, if any of the Performance Shares are converted, the Proposed Transaction would be fair.

Reasonableness

2.10. RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

2.11. If the Proposed Transaction does not proceed then it is likely that the Company will continue to focus on maximising value from the Limnytska Project while seeking alternative investments. Further, the possible $1 million loaned to TV2U by GAL will be repayable six months after the first amount is drawn by TV2U. TV2U has the option to repay the loan in cash or shares. Any issue of shares will be based on a value of TV2U of $5 million which means GAL will receive an interest of 20% in TV2U. As such, it is possible that GAL will hold an interest in TV2U even if the Proposed Transaction is not approved.

2.12. The share price of GAL currently exceeds the share price prior to the announcement of the Proposed Transaction. Therefore, if the Proposed Transaction does not proceed, it is possible that the share price of GAL could fall to prices observed prior to the announcement of the Proposed Transaction. When considering reasonableness, we have placed a high weighting to the share price performance of GAL following the announcement of the Proposed Transaction.

2.13. Our analysis of fairness excludes the capital raising which is a condition of the Proposed Transaction. We have excluded the capital raising so that we could assess the impact of the acquisition of TV2U. However, we note that Shareholders will benefit from a capital raising that is in excess of the current share price.

2.14. The key advantages of the Proposed Transaction are:

- The Proposed Transaction would be fair if the proposed capital raising was incorporated in our assessment of fairness.
- The Company will be participating in a large and growing market;
- TV2U does not operate a business that is as capital intensive as oil and gas exploration;
- Increased liquidity in GAL's shares;
- Improved news flow; and
- TV2U's technology has been implemented in the past and is proven to work, although it has not yet generated sufficient revenues to be profitable.

2.15. The key disadvantages of the Proposed Transaction are:

- Shareholders' interests in GAL will be diluted;
- If the Performance Shares are not converted, Talico would have enough control to block special resolutions and would have significant influence in passing or blocking ordinary resolutions and passing special resolutions. If the Performance Shares are converted then Talico could pass or block general resolutions, block special resolutions and have significant influence in passing special resolutions;

- The TV2U technology has not been proven at a commercial scale;
- The investment in TV2U may not be consistent with the objectives of existing shareholders; and
- The EBITDA hurdles of the Performance Shares do not include the costs of the listed entity, which will reduce the earnings that will be delivered to Shareholders.

2.16. We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of GAL at this time.

2.17. In our opinion, the position of the Non-Associated Shareholders of GAL if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of GAL.

3. Summary of Transaction

Overview

3.1. GAL has entered into a binding heads of agreement with TV2U shareholders where GAL will acquire 100% of the issued capital of TV2U by issuing the following consideration to TV2U shareholders:

- 357,142,857 ordinary post consolidation shares in GAL ("Upfront Consideration");
- 517,857,143 Performance Shares (post consolidation) with the following performance criteria ("Performance Consideration")
  - 89,285,715 performance shares that convert into GAL shares on a one for one basis in the event that the earnings before interest, tax, depreciation and amortisation ("EBITDA") for TV2U is greater than or equal to $5 million in any rolling 12 month period within two years of completion of the Proposed Transaction ("Class A Performance Shares");
  - 107,142,857 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $10 million in any rolling 12 month period within three years of completion of the Proposed Transaction ("Class B Performance Shares");
  - 142,857,143 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $15 million in any rolling 12 month period within four years of completion of the Proposed Transaction ("Class C Performance Shares");
  - 178,571,429 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $20 million in any rolling 12 month period within four years of completion of the Proposed Transaction ("Class D Performance Shares");

3.2. GAL has agreed to lend TV2U up to $1 million, subject to satisfactorily completing due diligence. The loan will be interest free. If the Proposed Transaction does not complete or there is a default, then an interest rate of 10% per annum will be applied to the loan. Further, the loan must be repaid six months after the first draw down, either in cash or TV2U shares, at TV2U's discretion. If the loan is repaid in TV2U shares, the value of TV2U is assumed to be $5 million (i.e. GAL will receive an interest in TV2U of 20%).

3.3. TV2U must use $325,000 of the funds lent to it to repay certain convertible notes. Further, GAL must issue up to 130 million ordinary shares to current convertible note holders in exchange for the conversion of all convertible notes on issue in TV2U.

3.4. If the Proposed Transaction is approved, three nominees of TV2U will be appointed to the Board of GAL.

Key conditions of the Proposed Transaction

3.5. Implementation of the Proposed Transaction is subject to the following Conditions Precedent being satisfied:

- GAL must complete a 1 for 2 consolidation of existing share capital;
- GAL must complete a capital raising of at least $4 million at an issue price of at least $0.02;
- All relevant approvals are obtained; and

- Due diligence is completed to the satisfaction of GAL.

Other resolutions that must be approved for the Proposed Transaction to complete

3.6. In addition to Resolution 3; Resolutions 1, 2, 4 and 5 in the Notice and Resolution 11 in the Addendum Notice must be approved in order for the Proposed Transaction to complete. We have detailed the dependent resolutions below:

	Approval sought	Impact on Fairness	Impact on Reasonableness
Resolution 1	Disposal of main undertaking	There is an agreement in place to dispose of the main undertaking to a third party. This agreement is at arms-length. As such, the disposal reflects fair market value and has no impact on fairness.	Resolution 1 will impact reasonableness to the extent that shareholders will no longer have an interest in an oil and gas company. However, resolution 1 can be approved without the need to approve the Proposed Transaction so the disposal of the assets could occur regardless of whether the Proposed Transaction occurs. Also, it is the intention of GAL to dispose of this asset.
Resolution 2	Change to nature and scale of activities	The change in nature and scale of activities does not impact value. As such, there is no impact on fairness.	A change in nature of activities is the result of the Proposed Transaction so this resolution will impact reasonableness.
Resolution 4	Creation of a new class of security	This is effectively an administrative requirement so that the Performance Shares can be issued. As such, there is no impact on fairness.	This is effectively an administrative requirement so that the Performance Shares can be issued. As such, there is no impact on reasonableness.
Resolution 5	Issue of shares under a prospectus	The issue price under the prospectus is greater than the values calculated by us. Therefore, Resolution 5 has a positive impact on our opinion of fairness. However, as we are seeking to opine on the underlying transaction involving TV2U, we have excluded the impact of the capital raising in our final analysis of fairness.	The capital raising price is above our calculated value of a GAL share. On this basis, the capital raising has a positive impact on reasonableness.
Resolution 11	Consolidation of capital	The issue of shares in consideration of convertible notes in the post transaction adjustments are based on the pre-consolidation number of shares on issue. As such, there is an immaterial negative impact on fairness.	A consolidation of capital has no impact on the reasonableness of a transaction as it is simply a change in the number of shares on issue.

Table 3: Other resolutions that must be approved to complete the Proposed Transaction

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

Rationale for the Proposed Transaction

3.7. The Proposed Transaction will result in the disposal of high risk, capital intensive oil and gas assets located in countries with high sovereign risk.

3.8. GAL will acquire a developed technology which will expose the Company to a market with significant value but with less risk than its current assets.

Impact of Proposed Transaction on GAL's Capital Structure

3.9. The Proposed Transaction will result in Talico holding an initial interest in GAL of 28% and 47% if the Performance Shares are converted.

3.10. The table below sets out a summary of the capital structure of GAL prior to and post the Proposed Transaction.

	Prior to Proposed Transaction		Post Proposed Transaction	
Shares on issue				
Non-associated Shareholders	381,123,662	100%	381,123,662	36%
Talico	-	0%	303,571,428	28%
Other TV2U shareholders	-	0%	53,571,429	5%
New capital raising[1]	-	0%	200,000,000	19%
Convertible note holders[2]	-	0%	130,000,000	12%
Total shares on issue	**381,123,662**	**100%**	**1,068,266,519**	**100%**
Out of the money derivatives				
Options				
Non-associated optionholders	3,941,181	100%	3,941,181	3%
Options issued to note holders[3]	-	0%	50,000,000	32%
Total unlisted options on issue	**3,941,181**	**100%**	**153,941,181**	**100%**
Performance rights				
Non-associated holders	4,500,000	100%	4,500,000	1%
Talico	-	0%	440,178,572	84%
Other TV2U shareholders	-	0%	77,678,571	15%
Total derivatives on issue	**4,500,000**	**100%**	**522,357,143**	**100%**
If all Performance Shares convert				
Shares on issue				
Non-associated shareholders	381,123,662	100%	381,123,662	24%
Talico	-	0%	743,750,000	47%
Other TV2U shareholders	-	0%	131,250,000	8%
New capital raising	-	0%	200,000,000	13%
Convertible note holders	-	0%	130,000,000	8%
Total unlisted options on issue	**381,123,662**	**100%**	**1,586,123,662**	**100%**

[1] Assuming minimum capital raising of $4 million

[2] Comprising the conversion of convertible notes with a face value of $800,000 into 50 million shares at a conversion price of $0.016, conversion of convertible notes with a face value of $550,000 into 39.3 million shares at a conversion price of $0.014, conversion of convertible notes with a face value of $300,000 into 30 million shares at a conversion price of $0.01, conversion of interest payable on convertible notes into a maximum of 2.1 million shares and the issue of 8.6 million shares to a legacy note holder.

[3] Attaching options issued to convertible note holders.

Table 4: Share structure of GAL before and after the Proposed Transaction

3.11. The table shows that Talico will receive an initial interest of 28% in GAL and that current GAL shareholders will initially dilute from 100% to 36%. The additional dilution to GAL shareholders comes from the issue of shares to other TV2U shareholders, the capital raising as a condition precedent and the issue of shares to certain convertible note holders.

3.12. Talico will increase its interest in GAL to 47% if the Performance Shares are converted. Further, existing shareholders will be diluted to an interest of 24%.

4. Scope of the Report

Corporations Act

4.1. Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%. Completion of the Proposed Transaction will result in the Talico increasing its interest in GAL from nil to approximately 28% before performance shares convert and 47% if all the performance shares convert.

4.2. Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company.

4.3. Accordingly, the Company is seeking approval from the Non-Associated Shareholders for Resolution 3 under Item 7 of Section 611 of the Act.

4.4. Section 611(7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Regulatory guidance

4.5. In determining whether the Proposed Transaction is "fair and reasonable" we have given regard to the views expressed by ASIC in RG 111.

4.6. RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

4.7. RG 111 states that the expert report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

4.8. Where an issue of shares by a company otherwise prohibited under section 606 is approved under Item 7 of Section 611 and the effect on the company shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.

4.9. RG 111 applies the “fair and reasonable” test as two distinct criteria in the circumstance of a takeover offer, stating:

- A takeover offer is considered “fair” if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover offer is considered “reasonable” if it is fair or, where the offer is “not fair”, it may still be “reasonable” if the expert believes that there are sufficient reasons for security holders to accept the offer.

4.10. Consistent with the guidelines in RG 111, in determining whether the Proposed Transaction is “fair and reasonable” to the Non-Associated Shareholders, the analysis undertaken is as follows:

- A comparison of the fair value of an ordinary share in GAL prior to (on a control basis) and immediately following (on a non-control basis) the Proposed Transaction, being the ‘consideration’ for the Non-Associated Shareholders – fairness; and
- A review of other significant factors which the Non-Associated Shareholders might consider prior to approving the Proposed Transaction – reasonableness.

4.11. In particular, we have considered the advantages and disadvantages of the Proposed Transaction in the event that it proceeds or does not proceed including:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

5. Profile of GAL

5.1. GAL is a listed company with oil and gas exploration assets in the Ukraine. In August 2014, Galicia changed its name from Cossack Energy Limited. The Company has a market capitalisation of $8.4 million and cash of $2.4 million. The Company has no debt.

5.2. GAL holds a 100% interest in the Limnytska Project. The Limnytska Project was the foundation asset that GAL originally listed with on the ASX. The project covers 172km^2 in Western Ukraine. The Company announced in its 2014 annual report that it intends to farmout the project and limit expenditure due to the decline in the oil price. We note that there has also been considerable civil unrest in the Ukraine in recent times.

5.3. GAL recently signed an agreement for the sale of the Limnytska Project for $1 and the sale is the subject of Resolution 1 included in the Notice.

Directors and management

5.4. The directors and key management of GAL are summarised in the table below.

Name	Title	Experience
Peter Wall	Non-Executive Chairman	Mr Peter Wall LLB BComm MAppFin FFin is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Peter graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA. Peter has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions. Peter is a director of the following other ASX listed companies: BrainChip Holdings Ltd, Phytotech Medical Limited, Minbos Resources Limited, Dourado Resources NL and Global Metals Exploration NL.
Faldi Ismail	Non-Executive Director	Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX-listed companies, specialising in information technology. He has many years of investment banking experience and has advised on numerous transactions including domestic and international capital raisings, structuring of acquisitions and joint ventures overseas. Faldi is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings. In addition, Faldi sits on the board of numerous other ASX listed companies.
Igor Soshinsky	Non-Executive Director	Mr Soshinsky is an experienced business advisor who has been involved in senior managerial positions with a number of consulting companies in logistics, transportation, telecommunications, real estate and infrastructure development industries. More recently, Mr Soshinsky has provided advisory services to explorers and producers in the coal and oil & gas industries in the Ukraine. Mr Soshinsky is also the Director of the Management Company that Galicia Energy has engaged to oversee its Ukraine operations.

Table 5: GAL Directors *(Source: Company announcements)*

Financial Performance

5.5. The following table sets out a summary of the financial performance of GAL for the years ended 30 June 2013 (“FY13”), 30 June 2014 (“FY14”) and 30 June 2015 (“FY15”).

$	Ref	FY15 Audited	FY14 Audited	FY13 Audited
Revenue		25,039	223,246	41,439
Employee benefits expenses		(187,818)	(306,532)	(125,178)
Administration and exploration expenses		(1,273,693)	(1,961,047)	(256,875)
Interest and finance costs		-	(1,001)	-
Depreciation expense		(2,013)	(404)	(372)
Share based payments		(65,358)	(372,760)	-
Foreign exchange (loss)/gain		(137)	(4,429)	-
Impairment expense	5.7	(12,741,450)	-	-
Loss before income tax expense		**(14,245,430)**	**(2,422,927)**	**(340,986)**
Income tax expense		(503)	(39,729)	-
Net loss for the year		**(14,245,933)**	**(2,462,656)**	**(340,986)**
Other Comprehensive Income/(loss)		(512,262)	(205,049)	-
Total Comprehensive Loss		**(14,758,195)**	**(2,667,705)**	**(340,986)**

Table 6: Financial Performance *(Source: GAL Financial Statements)*

5.6. The Statement of Comprehensive Income is indicative of an exploration company, with very little revenue and the majority of expenditure on exploration and administration.

5.7. The impairment expense relates to the write down of acquisition and exploration costs related to GAL’s exploration assets.

Financial Position

5.8. The table below sets out a summary of the financial position of GAL as at 30 June 2013, 30 June 2014 and 30 June 2015.

$	Ref	30 June 2015 Audited	30 June 2014 Audited	30 June 2013 Audited
Current Assets				
Cash and cash equivalents		1,671,734	3,037,288	839,726
Trade and other receivables	5.10	601,836	201,615	560,039
Total Current Assets		**2,273,570**	**3,238,903**	**1,399,765**
Non-Current Assets				
Other assets		-	9,986	9,986
Property, plant and equipment		8,651	96,403	2,430
Deferred exploration expenditure	5.11	-	10,806,987	-
Total Non-Current Assets		**8,651**	**10,913,376**	**12,416**
Total Assets		**2,282,221**	**14,152,279**	**1,412,181**
Liabilities				
Current Liabilities				
Trade and other payables		196,684	644,937	136,858
Provisions		255,605	10,367	1,928
Total Current Liabilities		**452,289**	**655,304**	**138,786**
Total Liabilities		**452,289**	**655,304**	**138,786**
Net Assets		**1,829,932**	**13,496,975**	**1,273,395**
Equity				
Issued capital		28,545,811	25,520,017	11,058,427
Reserves		(221,258)	225,646	1,000
Accumulated losses		(26,494,621)	(12,248,688)	(9,786,032)
Total Equity		**1,829,932**	**13,496,975**	**1,273,395**

Table 7: Financial Position *(Source: GAL Financial Statements)*

5.9. As at 30 June 2015, GAL had net tangible assets of $1.8 million. GAL had no debt and a cash balance of $1.7 million.

5.10. Trade and other receivables includes $510,000 loaned to TV2U in accordance with the terms of the Proposed Transaction.

5.11. Deferred exploration expenditure relates to the exploration assets in Bieszczady and Limnytska Projects which have since been sold or agreed to be sold for nil or minimal value.

Capital Structure

5.12. We note that the data included in this section includes the non-consolidated position of the Company and its shareholders.

5.13. GAL has 762,247,323 ordinary shares on issue, which will be consolidated to 381,123,662 ordinary shares. The Company also has the following derivatives on issue:

- 7,882,362 unlisted options with an exercise price of $0.17 and an expiry date of 29 February 2016 (to be consolidated to 3,941,181 options exercisable at $0.34); and

- 6,000,000 performance shares (3,000,000 post consolidation) that convert based on a number of hurdles relating to the oil and gas assets and 3,000,000 performance shares (1,500,000 post consolidation) that convert if GAL raises $10 million.

5.14. The Top 20 shareholders of GAL as at 2 October 2015 are set out below (pre-consolidation).

	Shareholder	Number of Shares	% of Total Shares
1	J P Morgan Nominees Australia Limited	45,323,036	5.95
2	Mr John Edwin Milligan & Mrs Joanna Milligan	28,645,000	3.76
3	Pheakes Pty Ltd	28,421,908	3.73
4	BBY Nominees Limited	20,833,333	2.73
5	Ah Super Pty Ltd	15,500,000	2.03
6	Mrs Joanna Milligan & Mr John Edwin Milligan	13,550,000	1.78
7	Garf Pty Limited	11,666,667	1.53
8	Kateryna Lysenko	10,500,000	1.38
9	Anna Eltsova	10,489,500	1.38
10	Mr Justin Laurence Barry	10,179,000	1.34
11	BBY Nominees Limited	10,000,000	1.31
12	Vathiel Finance Corp	9,000,000	1.18
13	Mr Mark David Morris	6,980,276	0.92
14	H E 2 Holdings Pty Ltd	6,850,000	0.90
15	Mr Trent Russell Burlace	6,220,467	0.82
16	Mrs Miriam Evelyn De Kauwe	6,011,765	0.79
17	Mr Michael John Hayman	6,000,000	0.79
18	The Regent Children's Centre Pty Limited	6,000,000	0.79
19	Prof Yew Kwang Ng	6,000,000	0.79
20	Mr Yongting Wang	5,517,118	0.72
		263,688,070	**34.6**
	Remainder	498,559,253	65.38
	Total GAL Shareholders	**762,247,323**	**100.00**

Table 8: GAL Top 20 shareholders *(Source: GAL)*

Share price performance

5.15. The share price performance below is based on the pre-consolidated share price of GAL.

5.16. The figure below sets out a summary of GAL's closing share prices and traded volumes for the 12 months to 5 October 2015.

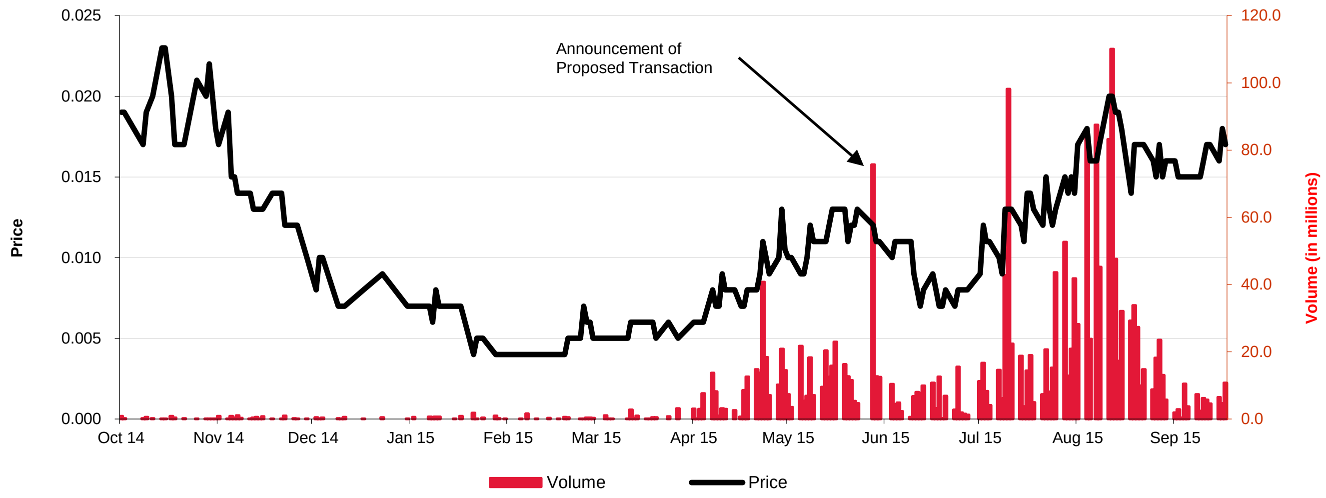

Figure 2: GAL Daily Closing Share Price and Traded Volumes (Source: ASX/S&P Capital IQ)

5.17. Between October 2014 and February 2015, GAL's share price was in steady decline. There was little news to explain the decrease in share price over this time. We note that the global oil price declined significantly between September 2014 and January 2015, with Brent falling from approximately US$100 per barrel to a low of US$48 per barrel, a fall of approximately 52%.

5.18. Since April 2015, there has been a considerable increase in volume of trading in GAL's shares. On 29 April 2015, GAL responded to an ASX Price Query and stated that it was not aware of any reason for the increase in volumes. In its March 2015 quarterly report, GAL announced that it was exiting its Poland assets. Further, on 22 April 2015, the Company raised $2.1 million. Since the announcement of the Proposed Transaction on 3 June 2015, announcements have focussed on agreements entered into by TV2U and the exit from GAL's exploration assets.

5.19. GAL's share price performance is discussed in more detail in Paragraph 8.10.

6. Profile of TV2U

Background

6.1. TV2U was only established in 2015, however, the underlying business has been operating since 2008. During this time the vendors have created proprietary technology for the provision of end to end digital media solutions delivered to all types of viewing devices, including televisions, computers and mobile phones. TV2U's technology encompasses two services:

6.2. A platform for customers to deliver video and gaming content over the internet (IVAN); and

6.3. A content solution for TV2U customers to provide to their customers (TARA TV).

6.4. Both of these services are provided for delivery to the end user over the internet, either via Over the Top ("OTT") delivery or via Internet Protocol Television ("IPTV"). OTT is the provision of content to an end user (e.g., a television viewer) via an internet connection that can be accessed from anywhere the user can connect to the internet (a well-known example of this is Netflix). IPTV is the provision of content via a managed network and is usually limited to a set top box based service (an example of this is similar in delivery to a traditional Foxtel service where video can only be delivered to a Foxtel box)

6.5. The introduction of OTT technologies to TV platforms has changed both the delivery platforms and viewing habits of consumers who increasingly expect to be able to watch their specific linear and on demand content on any device with a screen. This, coupled with the market penetration of smartphones and tablets, means there is an increase both in the potential viewing minutes per subscriber as well as a larger field of potential subscribers.

6.6. The combination of the cloud based solution approach and fact that most of the core software technology components for the delivery of TV2U service is proprietary technology means TV2U can further enlarge the pool of potential subscribers enabling low ARPU operators market entry into the video market place.

6.7. TV2U has an open approach to delivery of video platform allowing operators to select a mixture of both TV2U components and other ecosystem products to build a customised end to end solution adapted to the unique requirements of their market. As well as the selected core technology components TV2U provides the integration services to build the unique solution and can complement this with a managed service to operate the platform for its customers if required.

6.8. TV2U owns a number of patents protecting its products. However, it relies on a number of technologies owned by third parties (or parties related to Talico), particular for the provision of its TARA TV product.

6.9. It is our understanding that the technology involved in delivering products similar to TV2U's is constantly changing and there are numerous market participants with a large number of patents. We note that TV2U has not undertaken a freedom to operate analysis in relation to its technologies. As is the case with any patent, there is no guarantee that TV2U's patents will not be disputed.

6.10. One of the key advantages of TV2U's technology is its potential use of advertising as a main source of revenue. Rather than TV2U customers charging end users for access to content, TV2U's customers will instead derive income from advertisers and provide the content to the end user for free or at a low cost. TV2U's technology will allow its customers to provide targeted advertising to their end users, thereby increasing the value of its service to advertisers and should also drive increased usage and market penetration with its access to high quality, advertising funded, free content.

6.11. TV2U notes the key benefits of its technology and service offering are as follows:

- The technology remains effective over poor quality networks;
- The technology delivers video to multiple device types as well as traditional set top boxes
- The technology protects content from piracy through a number of measures that are sufficiently robust that Hollywood based content owners will grant content rights to the platform;
- The technology through its analytics and social network tools can assist in targeted advertising;
- The service offered can provide an end to end solution, including provision of content; and
- The service is offered with a disruptive commercial model that allows access to large and largely untapped low ARPU subscriber markets.

History of service delivery

6.12. TV2U is currently delivering or has undertaken a number of contracts, as set out below:

- Technology provider for Nemont.tv, a local on line television company with turnover of around $8 million (source: Capital IQ);
- Technology provider for BV Sport, the broadcaster of live coverage of the Indonesian Soccer League;
- Delivery of live streaming from the Beijing Olympics; and
- Provided secure streaming for the 2014 FIFA World Cup.

6.13. None of the contracts have been commercially viable (profitable on a large scale) but provide a proof of concept for technologies delivered by TV2U.

Competition

6.14. Competition in the management and delivery of content over the internet is high. There are a number of large competitors in the market that dominate delivery of OTT and IPTV. In Australia, these are competitors such as Netflix and Foxtel. In addition to the user known companies, other competitors such as Ericsson, Huawei and Cisco offer back end solutions.

6.15. Competition is also high in obtaining access to content. For example, live sport is highly sought after and is generally controlled by existing large media owners who can utilise live sport to charge a premium for their services.

6.16. In our opinion, large scale and dominant market positions are likely to be controlled by existing major competitors. As such, the success of TV2U will depend on its ability to monetise second and third tier customers or create a product that is better than those produced by major competitors.

Agreements

6.17. TV2U is developing a number of contractual negotiations and has implemented the following agreements:

HUMAX Terms Sheet Pty Ltd

6.18. A terms sheet which contemplates HUMAX Pty Ltd providing access to its OTT services to enable TV2U to provide its interactive premium television services.

Stereoscope Terms Sheet

6.19. A terms sheet which sets out a summary of the terms on which TV2U Singapore and Stereoscope Cloud (China) Limited (“Stereoscope”) will agree a formal agreement pursuant to which TV2U will provide to Stereoscope equipment, licences to software, technical and management support services and rights to use digital content in specified Asian countries for the purposes of Stereoscope’s proposed OTT interactive television and gaming streaming services.

Akamai Letter of Intent

6.20. A letter of intent which contemplates Akamai Technologies, Inc. (“Akamai”) and TV2U agreeing the terms of a formal agreement pursuant to which TV2U will make its digital content and services available to Akamai’s customers through technical integration with Akamai’s Predictive Video Over Cellular programmes.

Sunfly Term Sheet

6.21. A binding term sheet with Sunfly Karaoke Limited (“Sunfly”) where Sunfly will provide digital karaoke songs and accompanying music videos to be used by TV2U for its video on demand service. Sunfly will initially provide 1,500 karaoke songs and accompanying music videos.

Xunity Term Sheet

6.22. A binding term sheet with Xunity Limited (“Xunity”) where Xunity and TV2U have agreed that TV2U will provide the TARA TV streaming service over existing and all new Xunity set top boxes. The agreement is not region specific and covers streaming services worldwide. The agreement is subject to commercial and technical due diligence by TV2U. Under the agreement, TV2U will provide the head end infrastructure and delivery platform to deliver the TARA TV service.

Vubiquity Carriage and Service Agreement

6.23. An agreement with Vubiquity Management Limited (“Vubiquity”) where TV2U will distribute and market VOD content provided by Vubiquity in 7 countries. The content provided by Vubiquity includes premium movies from Hollywood studios, dramas, comedies and children’s content from major US and European television networks.

Directors to be appointed to the Board of GAL

Name	Experience
Mr Nick Fitzgerald	Mr Fitzgerald (Founder and current TV2U CEO) has 23 years’ experience in Media and Entertainment with expertise and project experience with content owners, digital service providers, broadcasters and telecommunications companies. His experience expands over 25 years in the Broadcast and New Media Industries. Nick is responsible for setting the strategic goals and objectives of the company. Prior to TV2U Nick served in numerous executive level positions while involved in several start-up companies, including Digital Rapids a company involved in encoding/transcoding technology. As Vice President of Digital Rapids Asia, Nick was responsible for the region’s operations and business development, setting up sales and distribution networks across multiple markets. It was during his tenure with Digital Rapids that the market needs for total solutions was realized and TV2U was born initially as a free consultancy service to the industry assisting “New Media” companies to understand the technology requirements and market needs.

Name	Experience
Mr Remus (Xin) Hua	Mr Hua has over 16 years' experience in the Digital Media, Content & Production, and Mobile Payment Systems technology sector. Remus is an experienced company director with skills that focus on the incubation and commercialization of media-based technology companies. Prior to joining TV2U, Remus was the founding partner and director of CIVITAS Technologies , Director at MPay Holdings, Director of International Operations at MAS Group Limited and the Founder and Director of Innovations In Motion P/L. Remus has built long standing relationships in the Digital Media Sector in the Asia Pacific Region.

Financial Performance

6.24. TV2U was only recently established so its trading history is limited to the three months ended 30 June 2015.

	Ref:	3 mths ended 30 June 2015 $
Revenue		-
Cost of sales		(32,543)
Gross profit		**(32,543)**
Other income		1,636
Impairment of trade receivable	6.25	(467,784)
Administrative expenses		(234,008)
Finance costs		(3)
Profit before income tax expense		**(734,338)**

Table 9: Financial Performance *(Source: TV2U)*

6.25. The main expense for TV2U was the impairment of a trade receivable of $467,784. All other expenses were associated with general administration and overhead costs.

Financial Position

6.26. The table below sets out a summary of the financial position of TV2U as at 30 June 2015.

	Ref:	Unaudited as at 30-Jun-15 $
Current Assets		
Cash and cash equivalents		90,646
Prepayments		32,934
Total Current Assets		**123,580**
Non-Current Assets		
Preliminary expenses		2,164
Plant and equipment	6.27	301,524
Total Non-Current Assets		**303,688**
Total Assets		**427,268**
Liabilities		
Current Liabilities		
Borrowings	6.28	985,000
Trade creditors		170,371
Other liabilities		2,990
Total Current Liabilities		**1,158,361**
Total Liabilities		**1,158,361**
Net Assets		**(731,093)**
Equity		
Issued capital		1,609
Retained earnings		(732,702)
Total Equity		**(731,093)**

Table 10: Financial Position *(Source: TV2U)*

6.27. The only asset of significance held by TV2U is the head end assets related to Tara TV and associated technologies. The plant and equipment was purchased from an associated entity and has been recorded in the financial statements at the purchase price. We have reviewed the value of the plant and equipment in Section 9 and provide further comment in said section.

6.28. Borrowings relate to the following:

Borrowings	30-Jun-15 $
Convertible notes	175,000
Galicia	510,000
TV2U Pty Ltd	300,000
Total Borrowings	**985,000**

Table 11: Borrowings included in TV2U financial position *(Source: TV2U)*

6.29. The convertible notes and the loan from Galicia will convert to equity upon completion of the Proposed Transaction. The loan payable to TV2U Pty Ltd represents deferred consideration for the head end assets of TV2U.

7. Valuation Approach

Valuation methodologies

7.1. In assessing the Fair Value of an ordinary GAL share prior to and immediately following the Proposed Transactions, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

7.2. We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

7.3. Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- The quoted price for listed securities; and
- Industry specific methods.

7.4. The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

7.5. Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based

7.6. Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Capitalisation of maintainable earnings; and
- Discounted cash flow methods.

7.7. The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

7.8. The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

7.9. Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

7.10. The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

7.11. The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame.

7.12. The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a GAL share pre the Proposed Transaction (control basis)

7.13. In assessing the value of a GAL share prior to the Proposed Transaction we have utilised a sum of parts valuation which combines the following methodologies:

- for all non-exploration assets and liabilities – net assets on a going concern; and
- for all exploration assets – market values based on signed sales agreements.

7.14. We have also utilised the quoted market price methodology as a secondary valuation methodology.

7.15. Our valuation methodologies were selected on the following basis:

- GAL has signed a binding sales agreement for the Limnytska Project. GAL does not have any other significant assets other than cash. As such, the most appropriate basis of valuation is the book value of asset and liabilities, other than exploration assets where the offer prices for the exploration assets provide a better measure of value;
- GAL's shares are listed on the ASX which means there is a regulated and observable market for its shares. However, consideration must be paid to adequate liquidity and activity in order to rely on the quoted market price method;
- In our opinion, the DCF methodology cannot be used as future revenue and expenses cannot be forecast with sufficient reasonable basis to meet the requirements of RG111 (specifically, a

reserve must be defined before the DCF methodology could be contemplated for exploration assets); and

- An FME methodology is not appropriate as GAL does not have a history of profits.

Valuation of a GAL share post the Proposed Transaction (non-control basis)

7.16. In assessing the value of GAL post the Proposed Transaction, we have used the pre Proposed Transaction value and included the impact of the Proposed Transaction assuming it proceeds. In particular, we have made the following adjustments:

- Included the value of TV2U's assets and liabilities at face value, except for its plant and equipment;
- Included TV2U's plant and equipment at market value, which we have assessed using the historic cost methodology. We have cross-checked the historic cost estimate to replacement values for similar software;
- Included the cash raised as a result of the capital raising that is a condition of the Proposed Transaction;
- Included any dilution from the issue of shares;
- Included specific costs associated with the Proposed Transaction; and
- Included the payments made to convertible note holders plus the GAL shares issued to convertible note holders.

7.17. We have then assessed the value of a GAL share post the Proposed Transaction on a non-controlling basis by adjusting for minority discount.

7.18. Our valuation methodologies adopted for valuing TV2U were selected on the following basis:

- It is reasonable to value assets and liabilities at face value;
- We have valued the plant and equipment at historic cost because TV2U does not currently generate profits from its technology and, as the company is in the start-up phase, there is not a reasonable basis for using forecast cash flows to calculate a DCF;

Valuation of a GAL share if the Performance Shares are converted (non control basis)

7.19. The Performance Shares will only convert to ordinary shares if certain EBITDA targets are achieved. Although we do not consider it is appropriate to use an earnings based valuation methodology to value GAL on the assumption that the Performance Shares are not converted, we consider it appropriate to value GAL using an FME methodology on the assumption that the Performance Shares are converted. This is because, for the Performance Shares to convert, TV2U must be making a profit.

7.20. We have selected the FME methodology for valuing GAL on the assumption that the Performance Shares convert because this is the most applicable method for valuing profitable companies.

8. Valuation of GAL Prior to the Proposed Transaction

8.1. As stated at paragraph 7.13 we have assessed the value of a GAL share prior to the Proposed Transaction on a sum of parts basis and have also considered the quoted price of its listed securities. In both valuations, we have included a premium for control.

Sum of parts valuation

8.2. We have assessed the value of a GAL share on a control basis to be approximately $0.005 per share (undiluted), prior to the Proposed Transaction, based on the sum of parts valuation methodology, as summarised in the table below.

	Ref.	30-Jun-15 $	Low $	High $
Deferred exploration expenditure (exploration assets)	8.5	-	1	1
Cash	8.6	1,671,734	1,181,734	1,181,734
Debt receivable from TV2U		510,000	1,000,000	1,000,000
Other assets and liabilities	5.8	(351,802)	(351,802)	(351,802)
Net assets (sum of parts)		**1,829,932**	**1,829,933**	**1,829,933**
Actual number of shares on issue	5.12		381,123,662	381,123,662
Value per share (undiluted)			**$0.005**	**$0.005**

Table 12: Assessed Fair Value of a GAL Share – sum of parts basis *(Source: RSMBCC Analysis)*

8.3. Our assessment has been based on the audited net assets of GAL as at 30 June 2015 of approximately $1.8 million as per the Company's financial statements. We have been advised that, except for adjustments noted below and normal operating costs, there has been no significant change in the net assets of GAL since 31 December 2014.

8.4. In order to calculate a current market value of GAL's shares, we have made a number of adjustments to the carrying values of net assets included in the Statement of Financial Position. These adjustments are set out below.

Exploration expenditure

8.5. We have adjusted the book value of deferred exploration expenditure for the disposal of the Limnytska Project based on the current offer price announced by GAL.

Cash

8.6. We have reduced cash for an additional $490,000 that was loaned to TV2U after 30 June 2015.

Debt receivable from TV2U

8.7. We have increased the debt receivable from TV2U as a result of an increase in the amount loaned to TV2U after 30 June 2015.

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Quoted Price of Listed Securities (secondary method)

8.8. In order to provide a comparison and cross check to our sum of parts valuation of GAL, we have considered the recent quoted market price for GAL's shares on the ASX prior to the announcement of the Proposed Transaction.

8.9. Unless stated, the analysis in this section is based on the pre-consolidation capital structure of GAL.

Analysis of recent trading in GAL shares

8.10. The figure below sets out a summary of GAL's closing share price and volume of GAL shares traded in the 12 months to 2 June 2015, the date prior to the announcement of the Proposed Transaction. The assessment only reflects trading prior to the announcement of the Proposed Transaction in order to avoid the influence of any movement in price that may have occurred as a result of the announcement.

Figure 3: GAL Share Price Volume Graph (Source: S&P Capital IQ)

8.11. Over the trading period prior to the announcement of the Proposed Transaction, GAL shares have traded at a high of $0.054 and a low of $0.004. Prior to April 2015, volumes had been low, with a small spike in trading when the acquisition of the Bieszczady Project was announced. In April 2015, volumes started to increase. The share price also started to increase during this time. There is no explanation for the increase. On 29 April 2015, GAL responded to an ASX Price Query stating that it was not aware of any reason for the increase in trading volumes. On the same date, the total volume of shares traded was 40.8 million. Trading since this time has seen a noticeable increase in regular volumes.

8.12. Between February 2015 and April 2015, an additional 493.1 million GAL shares were issued. This was an increase of shares on issue of 183.8% over the period. As such, the increase in volume could be partly explained by the significant increase in shares on issue. However, in our opinion, it does not adequately explain the increase in volumes. It would appear more likely that there was speculation in the market that GAL was going to enter into a transaction.

8.13. To provide further analysis of the quoted market prices for GAL's shares, we have considered the VWAP over a number of trading day periods ending 2 June 2015. An analysis of the volume in trading in GAL's shares for the 1, 5, 10, 30, 60, 90,120 and 180 day trading periods is set out in the table below.

VWAP as at 2 June 2015	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP ($)	-	0.012	0.012	0.011	0.010	0.010	0.010	0.011
Total Volume (000's)	-	21,459	101,607	363,727	418,651	427,227	432,228	448,892
Total Volume as a % of Total Shares	0.00%	2.82%	13.35%	47.78%	54.99%	56.12%	56.77%	58.96%
Low Price ($)	–	0.011	0.011	0.007	0.005	0.004	0.004	0.004
High Price ($)	–	0.013	0.014	0.014	0.014	0.014	0.014	0.032
Trading Days (no.)	–	3	8	28	51	70	84	131

Table 13: Traded volumes of GAL Shares to 2 June 2015 (Source: S&P Capital IQ)

8.14. The table above indicates recent high volume and liquidity in GAL shares, with 47.8% of total shares traded over 30 trading days. This is reflective of a highly liquid stock. However, we note that the trading data above is likely to reflect speculation of a back door listing, rather than reflecting the underlying value of GAL's existing assets.

8.15. An analysis of trading prior to 1 April 2015 indicates that just 3.5% of GAL shares were traded over a period of 30 trading days and the 30 day volume weighted average price was $0.006.

Value of a GAL Share on a non-control minority basis

8.16. As we have noted that recent trading of GAL shares is likely to have included speculation of a transaction, we have selected the 30-day VWAP for trading prior to 1 April 2015. Therefore, in our opinion, $0.006 reflects the quoted market price valuation of a GAL share on a minority basis prior to the Proposed Transaction.

Valuation of a GAL share (quoted price of listed securities methodology)

8.17. Our valuation of a GAL share, on the basis of the recent quoted market price including a premium for control is approximately $0.008 (between $0.015 and $0.016 on a post- consolidation basis), as summarised in the table below.

	Ref.	Low	High
30-day VWAP of a GAL share at 31 March 2015	8.16	$0.006	$0.006
Add premium for control	8.19	25%	35%
Quoted market price controlling value		**$0.008**	**$0.008**
Consolidation multiple		2x	2x
Consolidated quoted market price controlling value		**$0.015**	**$0.016**

Table 13: Assessed value of a GAL share – Quoted Price of Listed Securities (Source: RSMBCC analysis)

Key assumptions

Control Premium

8.18. The value derived at paragraph 8.17 is indicative of the value of a marketable parcel of shares assuming the shareholder does not have control of GAL. RG 111.11 states that when considering the value of a company's shares the expert should consider a premium for control. If the Proposed Transaction is successful, Talico will hold an interest of at least 28% of the issued share capital of GAL and, therefore, as explained in paragraph 4.10, our assessment of the Fair Value of a GAL share must include a premium for control.

8.19. In selecting a control premium we have given consideration to the RSM Bird Cameron 2013 Control Premium Study. The study performed an analysis of control premiums paid over a 7-year period to 31 December 2012 in 345 successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the mining and metals sectors was in the range of 25% to 35%. In valuing an ordinary GAL Share prior to the Proposed Transaction using the quoted price of listed securities methodology we have reflected a premium for control in the range of 25% to 35%.

Valuation summary and conclusion

8.20. A summary of our assessed values of an ordinary GAL share on a control basis pre the Proposed Transaction, derived under the two methodologies, is set out in the table below.

	Ref.	Low	High
Sum of parts		$0.005	$0.005
Quoted market value		$0.015	$0.016
Preferred valuation		**$0.005**	**$0.005**

Table 14: GAL Share valuation summary *(Source: RSMBCC analysis)*

8.21. In our opinion we consider that the sum of parts valuation methodology provides a better indicator of the Fair Value of a GAL share as we consider our analysis of the trading of GAL's shares prior to the announcement of the Proposed Transaction indicates that the market for GAL's shares is not deep enough to provide an assessment of their Fair Value.

8.22. In addition, we note that prior to April 2015, GAL's share price was trading around $0.004. We have highlighted previously that there was no explanation for the increase in share price and trading volumes after April 2015 other than an increase in cash reserves and speculation that GAL could undertake a transaction.

8.23. Therefore, in our opinion, the Fair Value of a GAL share pre the Proposed Transaction is approximately $0.005 on a controlling, post consolidation and undiluted basis.

9. Valuation of GAL Following the Proposed Transaction

9.1. We summarise our valuation of a GAL share subsequent to the Proposed Transaction on a net assets on a going concern basis in the table below.

Post Proposed Transaction	Ref:	Low Value $	High Value $
Undiluted Value of GAL pre Proposed Transaction	8.2	1,829,933	1,829,933
Intercompany loan to TV2U	9.4	(510,000)	(510,000)
Value of TV2U	9.5	953,907	3,199,755
Condition precedent capital raising	9.18	3,800,000	9,500,000
Payment to convertible note holders	9.19	(525,000)	(525,000)
Undiluted value of GAL		**5,548,840**	**13,494,688**
Number of shares on issue pre Proposed Transaction		381,123,662	381,123,662
Shares issued to TV2U shareholders	3.1	357,142,857	357,142,857
Condition precedent capital raising	9.18	200,000,000	500,000,000
Shares issued to TV2U convertible note holders	9.20	130,000,000	130,000,000
Shares issued to existing GAL performance rights holders	9.21	-	1,500,000
Total shares after Proposed Transaction		**1,068,266,519**	**1,369,766,519**
Undiluted value per share		$0.005	$0.010
Discount for minority interest	*9.22*	$(0.001)	$(0.002)
Minority value per share (undiluted)		**$0.004**	**$0.008**
Minority value excluding capital raising	9.23	*$0.001*	*$0.004*

Table 15: Assessed Value of GAL on Net Assets Basis (post-Proposed Transaction)

9.2. We consider that the minority value of a GAL share post the Proposed Transaction is between $0.004 and $0.008 on an undiluted basis.

9.3. We have adjusted the net asset value and shares on issue of GAL for the following:

Intercompany loan to TV2U

9.4. We have deducted the value of the loan to TV2U because, upon consolidation, this loan will net to zero.

Value of TV2U

9.5. We have assessed the value of TV2U on a control basis to be between approximately $1.0 million and $3.2 million, based on the sum of parts valuation methodology, as summarised in the table below.

	Ref.	30-Jun-15 $	Low $	High $
Plant and equipment	9.6 to 9.13	301,524	301,524	2,547,372
Cash		92,810	92,810	92,810
Borrowings	9.15	(985,000)	(300,000)	(300,000)
Other assets and liabilities	9.16	(140,427)	859,573	859,573
Net assets (sum of parts)		**(731,093)**	**953,907**	**3,199,755**

Table 16: Assessed Fair Value of TV2U – sum of parts basis *(Source: RSMBCC Analysis)*

Plant and equipment

9.6. We have calculated a range of values of between $0.3 million and $2.5 million for the plant and equipment. We have assessed the value of the TV2U plant and equipment using the cost incurred methodology. This methodology assumes that a willing buyer would pay for the cost to develop an asset to a stage similar to that of the plant and equipment. The best measure of cost of developing the technology is the costs directly associated with TV2U's technology. In our low value scenario, we have only included the cost of hardware. In our high value scenario, we have incorporated the cost of developing the software required to operate the TV2U service. We have excluded any instances where the software developed by TV2U is replicated in order to provide its service.

9.7. Costs incurred include the salaries paid to management and consultants used to create the TV2U service platform which manages the delivery, interpretation and analysis of content.

9.8. TV2U classified its plant and equipment expenditure into the following categories:

	Cost $
Middleware and Content Management	743,337
Analytics	1,318,024
Miscellaneous	486,011
Total Cost	**2,547,372**

Table 17: Plant and equipment expenditure (Source: TV2U)

9.9. We note that the amount in the table above is greater than the amount reflected in the financial statements of TV2U. The amount recorded in the financial statements was based on the purchase price paid by TV2U. We have not considered this value in our calculation as it is not reflective of an arms-length transaction and does not capture the value of the creation of the software.

9.10. Middleware and content management comprises software and hardware (servers) relating to the management of licences, content delivery, transactions and programming (non-exhaustive). It also relates to programming required to provide the interface that is seen by users on their viewing devices.

9.11. Analytics is the software and hardware related to recording, processing and delivering user information so that it can be utilised by TV2U's customers to structure and deliver content and advertising to maximise user experience and profits.

9.12. Miscellaneous costs relate to software and programming to improve user experience and allow the delivery of the technology across a number of user devices such as televisions or mobile phones using a number of proprietary operating systems (for example, Apple products and Samsung products).

9.13. We note that TV2U has a number of agreements in place for delivery of services. TV2U is yet to deliver on these contracts so, for the purpose of our Report, we have not relied on these agreements to estimate values. This is because we do not consider that there is reasonable basis for estimating future cash flows based on the contracts at such an early stage. However, these agreements and TV2U's history of delivering services based on the iVAN system provide comfort that the costs reflected in developing the system are a reasonable reflection of current market value on the basis that any acquirer would benefit from costs already incurred and there is a market for TV2U's services.

9.14. In order to provide a cross check to the estimate of historic cost, we have reviewed a number of proposals to provide similar products using competitor products. These proposals provided costs that were all greater than the costs attributed to the plant and equipment by TV2U.

Borrowings

9.15. We have reduced borrowings by $685,000 to offset the intercompany loan to Galicia upon consolidation ($510,000) and the conversion of the convertible notes on issue at 30 June 2015 ($175,000).

Other assets and liabilities

9.16. Since 30 June 2015, TV2U has or has committed to raise another $1.0 million in funding via the issue of convertible notes. These convertible notes will be converted to equity upon completion of the Proposed Transaction. As such, we have included the value of the new convertible notes in other assets and liabilities.

9.17. We note that we have not added the value of the additional borrowings received from Galicia as this would net to zero on consolidation.

Condition precedent capital raising

9.18. We have adjusted the net asset value of GAL post the Proposed Transaction by between $4 million (less $200,000 for transaction and capital raising costs) and $10 million (less $500,000 for transaction and capital raising costs) to reflect the capital raising that is a condition precedent of the Proposed Transaction. We have used a low and high range because the condition precedent required a capital raising of at least $4 million at $0.02 per share whereas the Notice includes a resolution to raise up to $10 million at $0.02 per share. This would result in between 200 million shares and 500 million shares being issued.

Payment to TV2U convertible note holders and issue of shares

9.19. As part of the Proposed Transaction, GAL has pre-lent TV2U $1 million. It is a condition of the loan that $325,000 is applied to repaying convertible notes held by third parties. We have deducted this payment from our value of GAL post the Proposed Transaction. Further, TV2U must repay $200,000 of new convertible notes issued subsequent to 30 June 2015.

9.20. In addition to the payment to the convertible note holders, GAL is required to issue 130 million shares to the convertible note holders.

Issue of shares to existing GAL performance rights holders

9.21. The terms of 1,500,000 of the existing performance rights in GAL include a conversion event where, if GAL raises $10 million or more, the rights can be converted to shares. As such, we have included the issue of shares in our high case valuation because we assume that GAL raises $10 million.

Minority interest discount

9.22. In selecting a minority discount we have given consideration to our control premium applied in Paragraph 8.19, where we established a range for a control premium of between 25% and 35%. The resulting corresponding minority discount range based on said control premiums is between 20% and 26%.

Value per share excluding impact of condition precedent capital raising

9.23. We have considered the value of a GAL share post the Proposed Transaction but prior to the capital raising so that shareholders can consider the impact of the Proposed Transaction without the influence of a capital raising that could potentially be value accretive. We note that there is a significant change in value when the capital raising is excluded.

	Ref	Low	High
Undiluted net asset value	9.1	$5,548,840	$13,494,688
Cash from capital raising	9.18	($3,800,000)	($9,500,000)
Undiluted net asset value		**$1,748,840**	**$3,994,688**
Undiluted shares on issue	9.1	1,068,266,519	1,369,766,519
Shares issued for capital raising	9.18	(200,000,000)	(500,000,000)
Conversion of performance shares	9.21	-	(1,500,000)
Undiluted shares on issue		**868,266,519**	**868,266,519**
Undiluted value per share		**$0.002**	**$0.005**
Minority interest discount	9.22	*-$0.001*	*-$0.001*
Minority value per share on a diluted basis		**$0.001**	**$0.004**

Table 18: Calculation of GAL value excluding capital raising *(Source: RSMBCC)*

9.24. We have considered the value of a GAL share post the Proposed Transaction but prior to the capital raising so that shareholders can consider the impact of the Proposed Transaction without the influence of a capital raising that could potentially be value accretive. We note that there is a significant change in value when the capital raising is excluded.

9.25. The table below compares the value of a GAL share post the Proposed Transaction assuming the condition precedent capital raising is included and excluded:

	Ref:	Value per Share Low	Value per Share High
Value of GAL post Proposed Transaction including the capital raising	9.1	$0.004	$0.008
Value of GAL post Proposed Transaction excluding the capital raising	9.23	$0.001	$0.004

Table 19: Comparison of GAL value post Proposed Transaction including and excluding the capital raising *(Source: RSMBCC)*

9.26. The table above shows that the transaction value is lower without the capital raising. However, it is important to note that if the capital raising is undertaken at $0.02, the market is valuing GAL at the capital raising price. As such, although the underlying value including the plant and equipment at historic cost indicates a value of between $0.001 and $0.004, the market will likely trade at a significant premium to this price. This means that the market will factor in “blue sky”. Whilst this is a common occurrence, we do not believe our valuation should factor blue sky due to the risks inherent in successfully commercialising TV2U’s services. Therefore, we have performed our analysis of fairness excluding the impact of the capital raising.

10. Valuation of GAL assuming the Performance Shares are issued

10.1. Our preferred methodology for valuing GAL post the Proposed Transaction is an asset based methodology. We used this methodology because TV2U does not currently generate profits, the technology is commercially unproven and TV2U does not have sufficient contracts in place to forecast cash flows with a reasonable basis.

10.2. However, the Proposed Transaction includes the Performance Shares which will only be issued if certain EBITDA measures are achieved. As such, when considering the impact that the Performance Shares could have on our opinion of fairness, we have considered the FME valuation methodology.

10.3. The FME methodology involves the following process:

- Establish appropriate future maintainable earnings:
- Calculate appropriate EBITDA multiple to be applied to the business of TV2U;
- Multiple the future maintainable earnings by the EBITDA multiples to calculate enterprise value ("EV"); and
- Adjust the FME value by net debt and surplus assets/liabilities to arrive at an equity value.

Establish future maintainable earnings

10.4. We have based our future maintainable earnings on the EBITDA hurdles that must be achieved for the Performance Shares to convert to shares. These hurdles are based on the earnings of TV2U only. As such, they exclude any overheads that will be borne by the listed entity. Therefore, we have reduced the hurdle EBITDA by an estimated cost of overheads.

10.5. Our expected EBITDA if each of the hurdles are achieved are set out below:

	Class A Performance Shares	Class B Performance Shares	Class C Performance Shares	Class D Performance Shares
Hurdle EBITDA	5,000,000	10,000,000	15,000,000	20,000,000
Estimated GAL overheads	(810,000)	(810,000)	(810,000)	(810,000)
Maintainable EBITDA	**4,190,000**	**9,190,000**	**14,190,000**	**19,190,000**

Table 20: Maintainable EBITDA *(Source: RSMBCC)*

10.6. Estimated overheads are based on previous administration costs of GAL and adjusted for expected future costs linked to new corporate contracts.

Calculate EBITDA multiple

10.7. In determining the capitalisation multiple to be applied to the future maintainable earnings we have analysed the multiples of companies listed on the ASX operating in the following categories:

- Technology Hardware and Equipment;
- Information Technology;
- Software Services; and
- All listed companies.

10.8. We have calculated the average multiple for each of the categories above and have also separated the multiples by certain EBITDA amounts, as set out in the table below:

Industry Classification	Sector	EBITDA < $5m	EBITDA > $5m < $10m	EBITDA > $10m < $15m	EBITDA > $15m < $20m	EBITDA > $20m < $50m
Current multiple						
Technology Hardware and Equipment	12.1	12.6	5.6	8.4	17.2	15.5
Information Technology	12.1	11.1	11.1	9.9	11.4	15.3
Software and Services	12.4	11.9	11.6	9.6	11.4	15.5
Average	**12.2**	**11.9**	**9.4**	**9.3**	**13.4**	**15.4**
Total Market Average	**10.1**	**10.8**	**9.9**	**8.0**	**9.7**	**10.5**
Forward multiple						
Technology Hardware and Equipment	10.1	8.1	5.7	7.7	13.0	14.9
Information Technology	10.0	9.2	11.1	7.6	8.0	12.7
Software and Services	10.1	9.6	11.1	7.5	8.0	12.5
Average	**10.1**	**8.9**	**9.3**	**7.6**	**9.6**	**13.4**
Total Market Average	**8.9**	**8.8**	**7.5**	**8.6**	**8.9**	**8.8**

Note: Any multiples above 30x have been considered outliers and have been excluded from the calculations in the table

Table 21: Average multiples on the ASX *(Source: Capital IQ)*

10.9. The table above indicates that multiples in technology focussed sectors are higher than the market average. We note that the Technology Hardware and Equipment sector indicates significantly higher average EBITDA multiples where EBITDA is greater than $15 million. However, these average multiples are impacted by small sample sizes. As such, we have discounted these multiples in our analysis.

10.10. It is apparent from the table that average multiples increase as earnings increase, with the exception of the movement from EBITDA below $10 million to EBITDA above $10 million. The decline in multiples from below $10 million to above $10 million could be because the market factors in greater growth aspects for companies with EBITDA below $10 million.

10.11. We have applied the following multiples to the potential EBITDA of TV2U:

	EBITDA > $5m < $10m	EBITDA > $10m < $15m	EBITDA > $15m < $20m	EBITDA > $20m < $50m
Applied multiple	9.4	9.3	11.5	14.1

Table 22: Multiples to be applied to potential TV2U EBITDA *(Source: RSMBCC)*

Calculate enterprise value

10.12. The EV is calculated by multiplying the potential EBITDA of TV2U by the relevant EBITDA multiple, as set out in the table below:

	Ref:	Class A Performance Shares	Class B Performance Shares	Class C Performance Shares	Class D Performance Shares
Future maintainable earnings	3.1	4,190,000	9,190,000	14,190,000	19,190,000
Earnings multiple	10.11	9.4	9.3	11.5	14.1
Enterprise value		**39,442,596**	**85,749,137**	**163,123,817**	**271,447,020**

Table 23: EV of GAL if TV2U EBITDA achieved *(Source: RSMBCC)*

Equity value of GAL

10.13. In order to calculate the equity value (the value attributable to shareholders) of GAL assuming the Performance Shares convert, we must adjust the EV by net debt (total debt minus total cash and cash equivalents). We should also adjust for any surplus assets or liabilities, however, for the purposes of this Report we have assumed there are no surplus assets or liabilities.

10.14. TV2U has indicated that expected capital expenditure will be financed by joint venture partners. If the joint venture partners do not finance capital expenditure and GAL is required to borrow to finance capital expenditure, this debt will reduce the value of GAL by the value of the debt. For the purpose of our calculation, we have assumed that the cash balance is also nil. Therefore, for the purpose of our calculation, we have assumed net debt of nil.

10.15. The equity values of a GAL share assuming the Performance Shares are converted are set out below.

	Ref:	Class A Performance Shares	Class B Performance Shares	Class C Performance Shares	Class D Performance Shares
Enterprise value ($)	10.12	39,442,596	85,749,137	163,123,817	271,447,020
Add cash and cash equivalents ($)		-	-	-	-
Less total debt ($)		-	-	-	-
Equity value ($)		**39,442,596**	**85,749,137**	**163,123,817**	**271,447,020**
Total shares on issue post Proposed Transaction*	9.1	1,068,266,519	1,068,266,519	1,068,266,519	1,068,266,519
Conversion of Performance Shares	3.1	178,571,429	392,857,143	857,142,858	1,785,714,287
Total shares on issue is EBITDA achieved		**1,246,837,948**	**1,461,123,662**	**1,925,409,377**	**2,853,980,806**
Value per share of Galicia if EBITDA achieved ($)		**0.032**	**0.059**	**0.085**	**0.095**

Table 24: Equity value of GAL if Performance Shares are converted *(Source: RSMBCC)*

11. Is the Proposed Transaction Fair to GAL Shareholders

11.1. Our assessed values of a GAL share prior to and immediately after the Proposed Transaction, are summarised in the table and figure below.

Assessment of fairness	Ref:	Value per Share Low	Value per Share High
Fair value of a GAL share pre the Proposed Transaction - Control basis	8.23	$0.005	$0.005
Fair value of a GAL share post the Proposed Transaction - Non control basis and excluding the capital raising	9.23	$0.001	$0.004

Table 25: Assessed values of a GAL share pre and post the Proposed Transaction *(Source: RSMBCC analysis)*

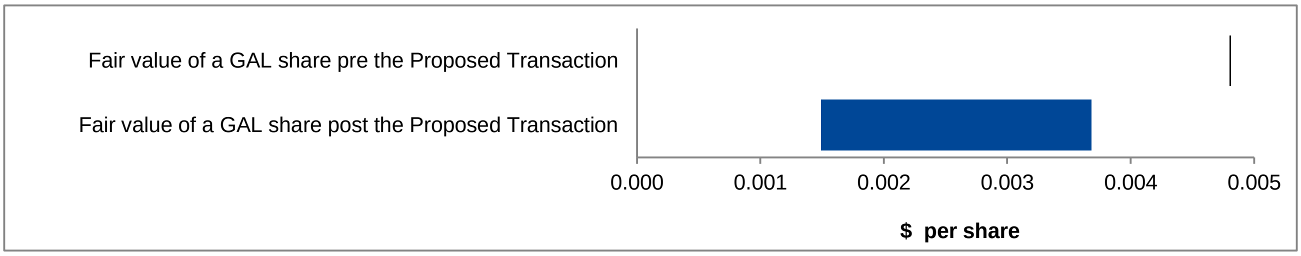

Figure 4: GAL Share Valuation Graphical Representation (*Source: RSMBCC Analysis)*

11.2. In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Corporations Act 2001, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of GAL, as the value of a GAL share post the Proposed Transaction is less than the value of a GAL share pre the Proposed Transaction.

11.3. In order to assess the impact of the Performance Shares, we have also analysed the value of a GAL share pre the Proposed Transaction to the value of a GAL share post the Proposed Transaction assuming the minimum requirement of each Performance Share is achieved. The following table summarises this analysis:

Milestones	Ref	Assessed value if Performance Shares issued $	Fair?
Class A Performance Shares	10.15	0.032	Fair
Class B Performance Shares	10.15	0.059	Fair
Class C Performance Shares	10.15	0.085	Fair
Class D Performance Shares	10.15	0.095	Fair

Table 26: Valuation of a GAL share when Performance Shares are converted (Source: RSMBCC Analysis)

11.4. The table above indicates that, if any of the Performance Shares are converted, the Proposed Transaction would be fair.

12. Is the Proposed Transaction Reasonable

12.1. RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of GAL if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Stated Intentions of Talico in relation to the Proposed Transaction

12.2. The stated intentions of Talico in relation to the Proposed Transaction are not to make any significant changes to the business of the Company, subject to the Proposed Transaction.

Future prospects of GAL if the Proposed Transaction does not proceed

12.3. The sale of the Limnytska Project is not subject to the Proposed Transaction being approved, therefore, if the Proposed Transaction does not proceed then it is possible that GAL can dispose of the asset and will be left without an asset. If the resolution to dispose of the Limnytska Project is also rejected then GAL will continue to focus on maximising the value from the Limnytska Project while simultaneously seeking alternative investments to add value to shareholders.

12.4. The $1 million loaned to TV2U by GAL will be repayable six months after the first amount is drawn by TV2U. TV2U has the option to repay the loan in cash or shares. Any issue of shares will be based on a value of TV2U of $5 million which means GAL will receive an interest of 20% in TV2U. As such, it is possible that GAL will hold an interest in TV2U even if the Proposed Transaction is not approved.

Trading in GAL shares following the announcement of the Proposed Transaction

12.5. As demonstrated in the chart below, there was a moderate or negative response to the announcement of the Proposed Transaction.

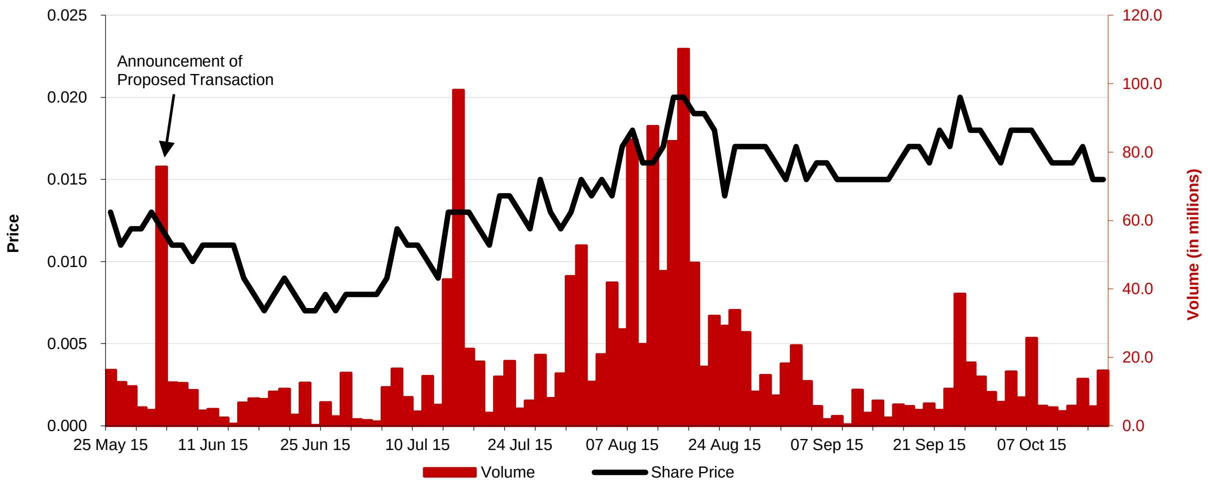

Figure 5: GAL Post Announcement Share Price Volume Graph (Source: S&P Capital IQ)

12.6. The chart shows that the GAL share price initially declined following the announcement of the Proposed Transaction. Following the release of announcements on agreements with Humax, Stereoscope and Akamai, the share price has exceeded the price prior to the announcement. This indicates a positive response in the market to the Proposed Transaction. Further, as noted in paragraph 8.12, there was most likely speculation in the share price of GAL that a transaction was expected and that the share price prior to April could be more reflective of the value of GAL prior to the Proposed Transaction.

Advantages and disadvantages

12.7. In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceed than if they do not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Advantage 1 – Inclusion of condition precedent capital raising would positively impact our assessment of fairness

12.8. In order to assess the impact on fairness of the acquisition of TV2U on Non-Associated Shareholders, we have considered the acquisition of TV2U in isolation of the capital raising. However, the proposed capital raising is a condition precedent of the acquisition of TV2U. If we included the proposed capital raising in our assessment of fairness, the Proposed Transaction would be considered fair. The net assets value of GAL, including the capital raising, is between $0.004 and $0.008 as can be seen in Table 15.

Advantage 2 – Access to a large market

12.9. The provision of online video delivery technology services a global market. There are no restrictions on where the technology could be implemented and TV2U's technology can be provided to large and small customers. TV2U does not currently have a significant share of the global market, however, there is an opportunity for its technology to be adopted. This is evident by the contract in China where TV2U has the opportunity to demonstrate the effectiveness of its technology on a large scale.

Advantage 3 – Not capital intensive with low risk return

12.10. Unlike oil and gas exploration, the development and implementation of TV2U's technology is less capital intensive, where capital expenditure is only incurred where a contract justifies the expense. This does not mean, however, that the operations of TV2U business are risk free. There is still commercial risk in successful uptake and implementation of the technology.

Advantage 4 – Increased liquidity in GAL shares

12.11. Since speculation of a transaction commenced, liquidity in GAL shares has increased considerably. Increased liquidity makes it easier for shareholders to dispose of their shares should they choose to.

Advantage 5 – Improved news flow

12.12. The operations of TV2U are likely to provide more regular opportunities to update the market for progress. More regular news flow could result in greater liquidity.

12.13. The Company will no longer be reliant on high risk, one-time events.

Advantage 6 – Known and proven technology

12.14. TV2U's technology is not new. It is well developed and has been implemented a number of times on a small scale. As such, shareholders are not exposed to an unknown or undeveloped technology. This reduces the risk to shareholders of an unproven technology.

Disadvantages of approving the Proposed Transaction

Disadvantage 1 – Dilution of shareholders' interests in GAL

12.15. The Proposed Transaction will result in diluting the current Non-Associated Shareholders interest in GAL on an undiluted basis from 100% to 36% on an undiluted basis and 24% on a diluted basis. As a result, Non-Associated Shareholder influence on the outcome of shareholder votes will be significantly reduced.

Disadvantage 2 – Talico's potential to control GAL

12.16. Mr Fitzgerald will be appointed to the Board of GAL and will also hold at least 28% of the issued capital of GAL. Mr Fitzgerald is the major shareholder of Talico. Mr Fitzgerald's Board influence and Talico's interest in the issued capital of GAL will give it some control over the decision making of GAL.

Disadvantage 3 – TV2U does not have a commercially proven technology

12.17. The technology of TV2U has not been proven on a commercial scale. As such, there is no guarantee that the business of TV2U will add value to shareholders in the long term.

Disadvantage 4 – Change in undertaking may not be consistent with shareholder objectives

12.18. GAL is currently an oil and gas exploration company. If the Proposed Transaction is approved, GAL will become a technology developer and provider. In addition, it will dispose of the Limnytska Project. As such, shareholders will no longer hold any exposure to oil and gas exploration. This may not be consistent with the investment objectives of all shareholders.

Disadvantage 5 – EBITDA hurdles are not based on entire company earnings

12.19. The EBITDA hurdles are based on the business of TV2U. As such, they do not include costs associated with operating the listed entity. As such, achieving the EBITDA hurdle will not mean that the earnings for GAL are similar. The earnings for GAL will be reduced by costs associated with running the company. It's not certain what these costs will be in the future,

Alternative Proposal

12.20. We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of GAL a greater benefit than the Proposed Transaction.

Conclusion on Reasonableness

12.21. In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. In particular, we note that the share price of GAL has increased since the announcement of the Proposed Transaction and, if the proposed capital raising is considered, the Proposed Transaction would be considered fair. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of GAL.

12.22. An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

Yours faithfully

RSM BIRD CAMERON CORPORATE PTY LTD

A GILMOUR	**G YATES**
Director	Director

APPENDIX 1

Declarations and Disclosures

RSM Bird Cameron Corporate Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron (RSMBC) a large national firm of chartered accountants and business advisors.

Mr. Andrew Gilmour and Mr Glyn Yates are directors of RSM Bird Cameron Corporate Pty Ltd. Both Mr Gilmour and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting GAL Shareholders in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Galicia Energy Corporation Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Bird Cameron Corporate Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Bird Cameron Corporate Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Bird Cameron Corporate Pty Ltd, RSMBC, Andrew Gilmour, Glyn Yates, nor any other member, director, partner or employee of RSM Bird Cameron Corporate Pty Ltd and RSMBC has any interest in the outcome of the Proposed Transaction, except that RSM Bird Cameron Corporate Pty Ltd are expected to receive a fee of $27,500 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of whether Galicia Energy Corporation Limited receives Shareholder approval for the Proposed Transaction, or otherwise.

Consents

RSM Bird Cameron Corporate Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Bird Cameron Corporate Pty Ltd or RSM Bird Cameron Partners or has been involved in the preparation of the Notice of General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

APPENDIX 2

Sources of Information

In preparing this Report we have relied upon the following principal sources of information:

- Addendum to the Notice of Meeting
- Drafts and final copies of the Notice of Meeting;
- Audited financial statements for GAL for the years ended 30 June 2013 and 30 June 2014;
- Review financial statements for GAL for the six months ended 31 December 2014;
- Management accounts for GAL and TV2U for the period to 30 April 2015;
- ASX announcements of GAL;
- Contracts between TV2U and its customers;
- Specialist report provided to GAL on TV2U's technology;
- Heads of Agreement;
- S&P Capital IQ database;
- Connect4 database; and
- Discussions with Directors, Management and staff of GAL.

APPENDIX 3

Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
$	Australian Dollar
Act	Corporations Act 2001 (Cth)
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CAGR	Compound annual growth rate
Class A Performance Shares	89,285,715 performance shares that convert into GAL shares on a one for one basis in the event that EBITDA for TV2U is greater than or equal to $5 million in any rolling 12 month period within two years of completion of the Proposed Transaction
Class B Performance Shares	107,142,857 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $10 million in any rolling 12 month period within three years of completion of the Proposed Transaction
Class C Performance Shares	142,857,143 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $15 million in any rolling 12 month period within four years of completion of the Proposed Transaction
Class D Performance Shares	178,571,429 performance shares that convert into GAL shares on a one for one basis in the event that the EBITDA for TV2U is greater than or equal to $20 million in any rolling 12 month period within four years of completion of the Proposed Transaction
Connect 4	An entity of Thompson Reuters which is an aggregator of ASX listed company announcements and disclosures
Company	GAL
Control basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
DCF	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
Directors	Directors of GAL
EBIT	Earnings, Before, Interest and Tax
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
Equity	The owner's interest in property after deduction of all liabilities
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value	the amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm’s length

Term or Abbreviation	Definition
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY##	Financial year ended 30 June
GAL	Galicia Energy Corporation Limited
IBIS	IBIS World, producer of industry reports
IER	This Independent Expert Report
IPTV	Internet Protocol Television
MEE	Multiple of exploration expenditure
Non Associated Shareholders	Shareholders not associated with the Proposed Transaction
Non control basis	As assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
Notice	The notice of meeting to vote on the Proposed Transaction
NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax
OTT	Over the top
Performance Consideration	Class A, Class B, Class C and Class D Performance Shares
Proposed Transaction	The proposal to issue shares to Talico in exchange for 100% of the issued capital of TV2U, inclusive of all associated transactions
Regulations	Corporations Act Regulations 2001 (Cth)
Report	This Independent Experts Report prepared by RSMBCC dated 14 August 2015
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RSMBCC	RSM Bird Cameron Corporate Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
Talico	Talico Technologies Pte Ltd
TV2U	TV2U Worldwide Pty Ltd and TV2U Singapore Pte Ltd
Upfront Consideration	357,142,857 ordinary shares in GAL
VWAP	Volume weighted average share price