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ALEATOR COMPLETES SUBSTANTIVE DUE DILIGENCE ON VONEX LIMITED

Aleator Energy Limited (**Aleator** or the **Company**) announced today it has conducted substantive due diligence investigations into Vonex Limited and its business. The Company looks forward to completing the transaction, however notes that due diligence is an ongoing process.

Key outcomes of the due diligence includes:

Customer Base

- Grown its wholesale partners that use the Vonex hosted PBX solution to 22 (including 20 in Australia and two internationally);
- Grown its retail clientele using the hosted PBX solution to more than 13,000 globally;
- Since acquiring its retail presence in Australia, Vonex has grown its channel partners (resellers) from 100 to approximately 400 over a 24 month period, allowing it to increase its revenue and grow margin per customer;
- Substantial opportunity exists to grow hosted PBX user base domestically and internationally;
- Four newly developed products to be launched during Q4, 2015;
- Exciting *Oper8tor APP* development with C2C, B2C, B2B and enterprise applications.

Financial Performance

Key findings of the financial due diligence includes:

- The Shareholders of Vonex have invested more than \$5.5 million into the business to date;
- Vonex has grown its sales revenue on a quarterly basis consecutively since start up with the exception of the December quarters due to summer holidays and reduced commercial activity;
- Vonex has grown both its revenue and margins since acquiring a retail operation;
- Current contracted monthly revenue exceeds \$400,000 per month making the business cash flow positive on a normalised basis;
- The business is highly scalable with a low marginal cost per additional customer as the infrastructure is in place;
- Substantial opportunity to accelerate revenues and growth from hosted PBX product/s, launch of four newly developed products and the rollout of the Oper8tor APP.

Technology

Key findings of the technology due diligence includes:

- The investment in research and development and rolling out the Company's global infrastructure to date exceeds \$3.1 million dollars;
- The Company has developed 18 separate proprietary products over licenced architecture, which provide a significant competitive advantage in the market and allow the development of new products to meet market demand. Four newly developed products to be launched within Q4, 2015.
- A review of the Australian provisional patent application No. 2015902480 and related prior art provide encouragement that Vonex may be granted patent protection over specific functions and specific details of implementation of the multi-platform communications development within oper8tor;
- There is a high likelihood that additional intellectual property exists within existing developments and will be realised during the ongoing development of the oper8tor technology that will be the object of further provisional patent applications;
- The oper8tor app is currently a working prototype product with a conservative development timetable that will see the alpha version released during Q1, 2016.

People

- Experienced, stable management team with a strong track record in the development and commercialisation of innovative VoIP products.

"The board of Aleator Energy has been impressed with Vonex's strong track record in developing and commercialising focused products in the hosted PBX and VoIP space," Mark Rowbottam, Executive Director of Aleator Energy Limited said.

"They have grown the business aggressively from start-up to cash flow positive and we believe there is potential for substantial growth through the hosted PBX product and the exciting Oper8tor development.

"We are pleased to have completed the substantive aspects of the due diligence process and look forward to issuing the Notice of Meeting and moving on to completion of the transaction."

Ends.

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