

ASX RELEASE

13 June 2017

ZipTel Non-Renounceable Rights Issue

ZipTel Limited (“**ZipTel**” or the “**Company**”, ASX: ZIP) advises that the Board has resolved to conduct a non-renounceable rights issue (“**Rights Issue**”).

The Company will conduct the Rights Issue **at 2.0 cents per share** subscribed for (the “**Offer**”). The Offer will raise approximately \$1,197,871 via the issuance of up to approximately 59,893,560 shares and 29,946,780 listed options on the basis of 2 new shares for every 3 shares held at an issue price of 2.0 cents per share together with 1 free attaching listed option for every 2 new shares subscribed for. The listed options have an exercise price of 5.0 cents and an expiry date of 6 July 2020.

The Company has lodged and disclosed on ASX a supplementary prospectus withdrawing the previous rights issue (“**Withdrawn Offer**”).

The prospectus for the Offer (the “**Prospectus**”) will be lodged with ASIC shortly. Shareholders who have received the Withdrawn Offer prospectus and personalised application form under the Withdrawn Offer should disregard these documents.

The Company will return shareholder acceptances received for the Withdrawn Offer in accordance with the Corporations Act (Cth.) 2001.

It is anticipated that the Prospectus and personalised application forms will be mailed to Eligible Shareholders on 22 June 2017. The Prospectus may be viewed on the ASX website at www.asx.com.au or alternatively on the Company's website at www.ziptel.com.au.

The funds raised under the Offer will be used for development, management, maintenance and delivery of the Zifi and Zipt platforms, for assessment and development of other opportunities, for working capital and to meet Offer expenses.

The timetable for the Offer is as follows:

Event	Date
Prospectus lodged with ASIC and ASX, Appendix 3B lodged with ASX	13 June 2017
Notice sent to Shareholders	14 June 2017
Ex date (date which Shares trade without entitlement to participate in Offer)	19 June 2017
Record Date to determine eligibility of Shareholders to participate in the Offer	20 June 2017
Anticipated dispatch of Prospectus and Entitlement Forms to Eligible Shareholders	22 June 2017
Opening Date for the Offer	23 June 2017

Last day to extend Closing Date	5 June 2017
Closing Date	3 July 2017
New Shares and Options quoted on a deferred settlement basis	4 July 2017
ASX notified of under subscriptions	5 July 2017
Issue and Allotment Date	6 July 2017
New Shares and Options commence normal trading on ASX	7 July 2017

Subject to the Listing Rules, the above dates may be changed without notice. The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("**Eligible Shareholders**").

The Offer is fully underwritten by Patersons Securities Limited. Each of the Directors has committed to participate by subscribing for their entitlements in the Offer to a total value of \$312,962 or 26.1% of the Offer.

Shareholders should consider the Prospectus in deciding whether to acquire new shares under the Offer, and will need to complete the personalised entitlement and acceptance form that will accompany the Prospectus if they wish to participate and subscribe for new shares.

Overseas Shareholders

The Offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

-Ends-

For enquiries, please contact:

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to consumers and businesses, using state of the art technologies developed and wholly owned by ZipTel Limited.