

ASX AND MEDIA RELEASE

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ZipT Global Launch Date Set With Enhanced Performance Metrics

- Global launch date for ZipT Android App set for 22 June 2015 via GooglePlay Stores
- Latest ZipT App Version 2.0 has delivered exceptional performance results:
 - Improved data usage of 55% over longer calls
 - App functionality in data usage bandwidths as low as 2.5 kpbs (previously 6kpbs); and
 - 80 -100 hours in voice time on standard mobile data package of 1 GB (previously 64-82 hours)
- Significant viral and organic growth observed through user sharing at multiples of over 3.5x during final pilot phase, which could drive lower customer acquisition costs of up to 60%
- Aggressive customer acquisition strategy in place to target over ten million subscribers in less than 18 months
- ZipT to continue to release numerous features as part of the customer acquisition strategy and to implement new monetisation value added services in Q3 and Q4 2015
- Ziptel is fully funded for this next phase of growth and well positioned to accelerate customer growth and scale globally

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce the date for the commercial global launch of its ZipT application.

ZipT is a mobile-based international communication application that allows consumers to SMS and make international calls for free, App-to-App, or at low cost to any landline or mobile globally.

On 22 June 2015 the ZipT application will launch on Android OS and be available to download for free, globally from the GooglePlay Store. The application will be available to all Android devices across 150 countries via the store, which is visited by more than one billion unique users per month. The application for Apple IOS will shortly follow and will be available globally in Q3 2015.

Over the past three months, the Company has continued to focus on developing and enhancing the ZipT app, with advancements across its technology and telephony infrastructure as well as implementing an improved algorithm, which reduces the data compression of the ZipT technology platform even further.

The results of the Version 2.0 ZipT app demonstrate exceptional performance and quality on longer calls with data usage on average reducing from 9kbps to 5kbps, delivering a 55% saving in data consumption compared to the previous version of ZipT (Version 1.0).

Version 2.0 Advancements: Data consumed over same calling scenario

Test case	ZipT Version 1.0	ZipT Version 2.0	Improvement
Noisy environment	10-12 kbps	6-8 kbps	40%
Quiet environment	8-10 kbps	4-5 kbps	100%
Extreme cases	6 kbps	2.17 kbps	276%
Average for longer calls	9 kbps	5 kbps	55%

The new technology has proven to provide excellent call quality in environments as low as 4.5 to 6kbps. Extensive testing and analysis found the ZipT data usage was stable at bandwidths as low as 2.5 kbps, which was 276% lower than previously announced at 6kbps (8th Jan 2015). This results in a one-minute call consuming as little as 144kb of data. With this low consumption it is estimated that a standard mobile data package of 1 GB would equate to approximately 80 hours of talk time.

Independent Call testing between popular apps showed the following results:

Application	Data spent in 1 minute call (less is better)	Talk time for 1 GB (1000 MB) of data (more is better)
ZipT version 2.0	0.20 MB	80 – 100 hours
ZipT version 1.0	0.26 MB	64 - 82 hours
Viber	0.45 MB	22 - 71 hours
Skype	1.23 MB	11 - 37 hours

In addition to the advanced improvements in data consumption ZipTel has also completed further developments and added eight new features to the latest ZipT version 2.0 ahead of the commercial global launch.

The following is a list of the features to be available in version 2.0 of the ZipT app, which includes the ability for free video calling app-to-app, group chat ability and incorporation of the new algorithm with superior data compression abilities.

New additional features added to ZipT (Version 2.0) for global rollout

- Incorporation of new bandwidth reduction technology
- Free Video Calling app-to-app
- Facebook Integration – enables users to register and share via Facebook
- Group Chat
- Auto Top up
- Picture/Video & File Sharing
- Bundle Plans – region based incentive packages to increase monetisation

Features included in previous version of ZipT (Version 1.0) pilot launch

- Free voice calls app-to-app free
- Low cost calls to landline and non ZipT mobile users
- Free instant messaging app-to-app
- Low cost SMS to non app users
- Account top up
- Secure calls
- Masked caller ID

Significant virality and organic growth

The pilot launch phase of the application demonstrated significant viral and organic growth potential at multiples of 3.5 times. Therefore every one download, resulted in a further three and a half downloads through user sharing, without any extra marketing spend required. The Company expects this could potentially reduce the cost per acquisition (CPA) by a substantial amount of over 60 % upon global launch.

Whilst the Company remains fully funded to acquire over ten million paid subscribers over the next 18 months, the virality observed could result in an accelerated customer acquisition program achieving its targeted subscriber base in a far shorter time frame. As part of the global roll out strategy Ziptel is also in advanced discussions for a global ambassador with international appeal in targeted markets.

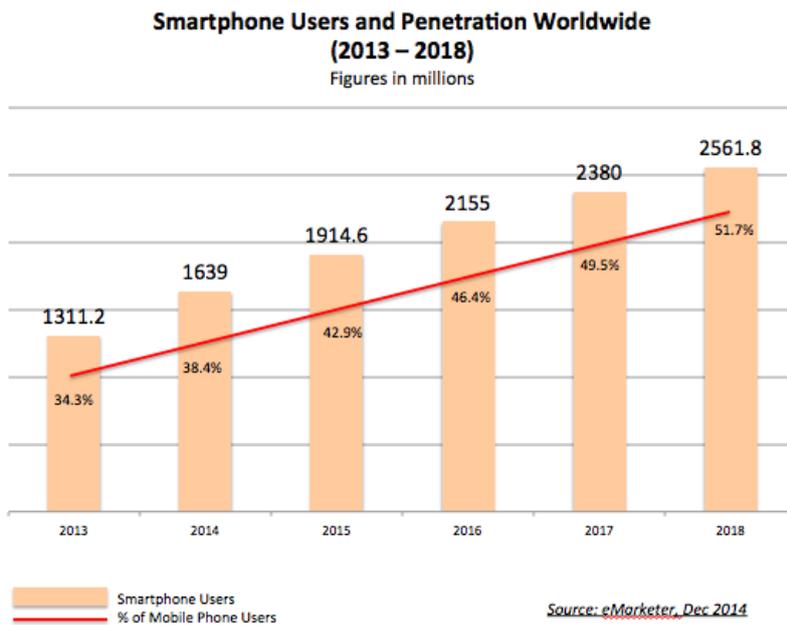
Size of addressable market

With over 2 billion active smartphone users expected by the end of 2015 and 3 billion in the next decade, there is significant potential for the ZipT application to achieve substantial market share. The ZipT application will be available on the Android and IOS platforms, which combined command a 96% share of the market (Android 81% and IOS 15%).

The growth of the smartphone is anticipated to continue to grow, with usage in emerging markets overtaking that of Western countries. There is a significant opportunity for ZipT's application in these markets as everyone will need a communication tool that functions in their infrastructure, many of which are low bandwidth environments.

In 2014 over one billion Android devices and over 197.2 million Apple devices were shipped globally, and with two of every five mobile owners expected to own a smartphone in 2015 the demand for feature phones is increasing rapidly.

Source: Smartphone Users and Penetration Worldwide (2013 - 2018)



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

“Following the successful pilot launch of the application in December 2014 we are excited by this opportunity to commercialise and globally roll out the ZipT app. We have set a global launch date for Android, with IOS to follow shortly and we are confident that the additional developments throughout the beta testing to the app's features and operations will lead to substantial downloads in all countries and a superior user experience.”

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus primarily on the distribution of three core communications products, both domestically and internationally.

About ZipT

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

For more information visit www.zipt.com.