

28 November 2016

First Zifi Agreement Signed with Leading Agriculture Operator

- Memorandum of Understanding signed with leading farm operator Glenvar to commence the first Zifi pilot program at the Glenvar Property, in the Wheatbelt region of Western Australia.
- Glenvar Property surveyed and Zifi site architectural design completed and agreed upon.
- Zifi agriculture module ("**AgTel**") pilot program agreed to commence at the Glenvar Property - January 2017.
- Pilot program will be used primarily to determine metrics and build AgTel's financial and operating model for roll out to farms across Australia in 2017.
- Discussions to date with industry distribution partners demonstrate the real world applications for the technology.
- AgTel will demonstrate the path to commercialisation for each Zifi module.
- Zifi hospitality module is next in line for a pilot program to commence - MOU in advanced discussions with key world class partner.
- Zifi is targeted at addressable global markets in excess of USD\$12 Billion.

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce that it has executed a Memorandum of Understanding (MOU) with leading Australian grain farmer Glenvar to provide a rich communications and information sharing solution i.e. Zifi agriculture module "**AgTel**", to users on the Glenvar Property. Under the MOU, a Pilot Program has been agreed to commence in mid-January 2017 and upon successful completion, the arrangement will continue on commercial terms from February 2017 for a period of 3 years.

AgTel – the Zifi agriculture module

AgTel is the first completed Minimum Viable Product (MVP) iteration of Zifi – the customisable, site-based communication and mobile collaboration platform for business launched on 16 November 2016.

AgTel has been developed as a module of Zifi, specifically to address needs in the agricultural industry. The roll out of AgTel will set out the process for future Zifi modules:

- 1) Identification of industry needs and related market research, including discussions with potential industry partners, research institutions and government;
- 2) Identification of target partners for pilot programs;
- 3) Execution of pilot programs and refinement of models for application to large scale roll outs in Australia and global markets

Information gathered from the pilot programs in the respective industries will shape the commercial terms for further agreements. The commercial terms will, at a high level, consist of: set up fees, licensing fees; and fixed long term contract fees.

Glenvar and the Pilot Program

The Glenvar Property is located approximately 200 km north of Perth in the Wheatbelt region of Western Australia and covers 14,300 hectares. As a remote operation, the Glenvar Property currently uses conventional systems (i.e. 2-way radios) for onsite farm communications. Glenvar staff will participate in the 21 day Pilot Program, using AgTel to communicate while onsite at the Glenvar Property.

Figure: Glenvar site map



The Glenvar Property has been surveyed by ZipTel and an appropriate deployment plan has been tailored for launch in January 2017.

In term of distribution for large scale roll outs, ZipTel will engage leading distributors appropriate for respective industries in order to gain market penetration for the Zifi products. Commercial terms in this regard will be announced in due course. The domestic market is significant with more than 113,000 farms in Australia, many of which would benefit from the improved communications possible with a Zifi solution. Across industries, Zifi is targeted at addressable global markets in excess of USD\$12 Billion.

Keaton Wallace, Executive Director, ZipTel commented:

"This is the first Pilot Program of many intended for Zifi. Our discussions with key players across a wide range of industries gives us confidence to pursue agreements that will form the basis for commercial roll outs. One theme that is prevalent in these discussions is safety."

According to the Australian Centre for Agricultural Health and Safety, for the calendar year to the end of September 2016, 47 on-farm deaths were reported. In addition, 61 non-fatal on-farm injury events reported.

Michael Shields, Managing Director, Glenvar commented:

"This technology will not only assist day to day communications to increase productivity, it promises to be a game changer for safety. The high rates of serious injury in the agricultural sector for people who live, work and visit farms needs to be addressed and tend to go unnoticed. The easier we can communicate, the quicker help can be brought in."

-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 consumers and businesses, 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 the Zipt mobile based communications application for consumers and the Zipt Systems Enterprise suite for businesses.

About Glenvar

Glenvar has been farmed by the Shields family since 1925. The original holding of 7,000ha has grown to 14,300ha today of which 12,000ha is arable. The farming operation of Glenvar is centered around 10,000ha of pastures based 20km north-east of Wongan Hills and 2,000ha located 16kms south-west of Wongan Hills, Western Australia.

Glenvar strives to be a professional agribusiness operation maximising opportunities in broadacre cropping and value adding enterprises through growth and innovation strategies. The team at Glenvar are continually investigating and adapting to leading edge production techniques to ensure they remain Leaders in Innovative Agriculture.