

14 June 2017

Dear Shareholder:

### NON-RENOUNCEABLE RIGHTS ISSUE

On 13 June 2017, ZipTel Limited (ASX: ZIP, "the Company") lodged a Prospectus with ASIC and ASX, seeking to raise approximately \$1,197,871 by a non-renounceable pro rata rights offer ("Offer") 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 listed option for every 2 new shares subscribed for under the Prospectus. The listed options have an exercise price of 5.0 cents and an expiry date of 6 July 2020. 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 Offer is fully underwritten by Patersons Securities Limited.

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
Last day to extend Closing Date	28 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 capital structure of the Company post-completion of the Offer will be as follows:

Description	Shares	Options
Securities on issue at time of Offer	89,840,339	nil
Securities issued pursuant to Offer	59,893,560	29,946,780
Total Securities on issue post-completion	149,733,899	29,946,780

It is anticipated that the Prospectus offering shares and options for subscription will be mailed to Eligible Shareholders on 22 June 2017. The Prospectus may be viewed on the ASX website at [www.asx.com.au](http://www.asx.com.au) or alternatively on the Company's website at [www.ziptel.com.au](http://www.ziptel.com.au). Application will be made to ASX for quotation of the shares and options. In the calculation of any entitlement, fractions will be rounded up to the nearest whole number. No shareholder approval is required for the Offer.

### 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.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully

### ZipTel Limited



Derek Hall  
Company Secretary

### 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.