

Australian Securities Exchange  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

7 October 2016

Dear Sir/Madam

**Quickflix Limited (Subject to Deed of Company Arrangement)**  
**ACN 102 459 352**  
**("the Company")**

At the meeting of creditors of the Company held on 4 October 2016 in accordance with Section 439A of the Corporations Act 2001 (*Act*), creditors unanimously voted in favour of the Company executing a Deed of Company Arrangement (*DOCA*) with Karma Media Holdings LLC (*Karma*).

I advise that on 6 October 2016, the Company, the Administrators and Karma executed the DOCA in line with the DOCA proposal put to creditors at the abovementioned meeting. A copy of the DOCA was lodged with the Australian Securities and Investments Commission (*ASIC*) today.

The key aspects of the DOCA are set out below:

- Karma's authorised representatives will take control of the Company's business and assets (subject to reporting obligations to the Administrators) from DOCA execution in exchange for \$1.3m being paid into a Deed Fund and the assumption of certain employee entitlements
- The conditions precedent for completion of the DOCA are:
  - Karma making a \$700k non-refundable payment to the Deed Fund within 30 days of DOCA execution; and
  - An Order being made by the Supreme Court of Western Australia (*Court*) under Section 444GA of the Act along with relief from ASIC from the requirement of Chapter 6 of the Act to transfer all of the Company's shares to Karma. These matters are to be achieved within 120 days of the creditors approving the DOCA or such longer period as agreed between the Administrators and Karma; and
  - Karma making a final non-refundable payment of \$400k to the Deed Fund within 5 days of a Court Order made under Section 444GA of the Act or the relief from ASIC from the requirement of Chapter 6 of the Act (whichever is the latter)

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- Upon completion of the DOCA, a Creditors' Trust will be established and the Deed Fund will be transferred to the Trust Fund for the purpose of paying a dividend to admitted creditor claims in accordance with Section 556 of the Act.
- In the event that either a Court Order under Section 444GA of the Act or relief from ASIC from the requirement of Chapter 6 of the Act is not obtained within 120 days of the creditors approving the DOCA or such longer period as agreed between the Administrators and Karma, then the following will occur:
  - A Business Sale Agreement (**BSA**) entered into by the Administrators and Karma (or its nominee) at DOCA execution will be released from escrow and will settle at the same time resulting in the sale of the Company's business and assets by the Administrators to Karma (or its nominee) for consideration of \$900k already paid by Karma; and
  - The Deed Administrators will convene a meeting of creditors of the Company to consider options including that:
    - The Company execute a new DOCA
    - That the Administration end
    - That the Company be wound up.

Further details of the DOCA can be obtained from the Administrators' report to creditors dated 22 September 2016. A copy of the report is available at [www.deloitte.com/au/quickflix](http://www.deloitte.com/au/quickflix).

We request that shareholders refrain from contacting our office at this time.

For all media enquiries, please contact Simon Rushton of Deloitte on (02) 9322 5562.

Yours faithfully

**Jason Tracy**  
Joint and Several Deed Administrator