

## **TO THE CREDITOR AS ADDRESSED**

22 December 2016

Dear Sir / Madam

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

As previously advised, Richard John Hughes and I were appointed as Joint and Several Deed Administrators (**Deed Administrators**) of the Company pursuant to the Deed of Company Arrangement (**DOCA**) executed on 6 October 2016.

The terms of the DOCA provided that the DOCA proponent, Karma Media Holdings LLC (**Karma**), would pay \$1.3m to the Deed Fund and assume certain employee entitlements as consideration for acquiring all of the shares of the Company.

The conditions precedent for completion of the DOCA were:

1. The Supreme Court of Western Australia granting leave for the Deed Administrators to transfer the Company's shares to Karma pursuant to section 444GA of the Corporations Act (**Act**)
2. The Australian Securities and Investments Commission (**ASIC**) providing relief from the requirements of section 606 of the Act
3. Karma paying to the Deed Administrators the balance of the \$1.3m within 5 days of the Deed Administrators achieving conditions 1 and 2 above.

We are pleased to advise that the abovementioned conditions precedent were satisfied on Wednesday, 21 December 2016. Accordingly, the DOCA is now fully effectuated and the Deed Administrators will shortly be completing the transfer of the Company's shares to Karma and filing the necessary paperwork with ASIC to retire as Deed Administrators.

As the DOCA has now been fully effectuated, a Creditors Trust has been established for the purpose of adjudicating on pre-appointment creditor claims for the purpose of paying a dividend to creditors in accordance with the terms of the Creditors' Trust Deed. We will issue further correspondence to creditors with respect to the dividend process and any action required by creditors shortly.

**As previously advised, please ensure that you have closed any accounts established for duration of the trading period of the Administrators (26 April 2016 to 6 October 2016 inclusive) and ensure that any properly authorised unpaid invoices that relate to this period are provided to Adam Staley of my office via email to [astaley@deloitte.com.au](mailto:astaley@deloitte.com.au) as soon as possible.**

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We note that Karma assumed control of the Company's business from 6 October 2016 and any queries with respect to accounts relating to 6 October 2016 onwards should be directed to the Company.

Should you have any questions in relation to this matter, please contact Adam Staley of this office on (08) 9365 8015.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R. Hughes', written in a cursive style.

**Richard Hughes**  
Deed Administrator