6 March 2013

QUICKFLIX EXECUTES EQUITY PLACEMENT AGREEMENT AND LODGES PROSPECTUS

Quickflix Limited (**QFX**) today announced that it has entered into a Subscription Agreement to raise approximately $1.688 million through a share and option placement to Crede CG II, Ltd, a wholly-owned subsidiary of Crede Capital Group LLC (**CCG**), an international institutional investor with offices in Los Angeles and New York, and has lodged a Prospectus with ASIC in relation to the capital raising. QFX has agreed to issue a total of 70,358,753 shares at an issue price of $0.024 per share and a total of 42,215,251 attaching options. Completion of the placement is scheduled to occur upon the investor subscribing for the shares and options pursuant to the Prospectus.

A copy of the Prospectus is attached.

The Company will use the proceeds from the placement for the continued development of its digital streaming service and to increase its subscriber base through increased marketing by way of advertising and promotion and for general working capital.

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About Quickflix

Quickflix (www.quickflix.com.au) is Australia's leading online movie company offering subscription to the largest range of movies and TV shows delivered as DVD or Blu-ray by mail or streamed instantly on-demand from a library of hundreds of movies & TV series direct to PCs, Apple Macs and a growing range of connected TVs, game consoles, iPad, iPhone and other devices. Pay-per-view streaming for the latest release movies and TV is also available on selected devices. In New Zealand Quickflix streaming is available at www.quickflix.co.nz.

Quickflix Limited ABN 62 102 459 352

PROSPECTUS

For an offer of Shares and Options to Crede Capital
to raise approximately $1,688,610

CORPORATE DIRECTORY

Directors	Mr Stephen Langsford (Executive Chairman and Chief Executive Officer) Mr Simon Hodge (Executive Director and Chief Financial Officer) Mr David Sanders (Non-Executive Director)
Company Secretary	Ms Susan Hunter
Registered Office	Suite 40 460 Stirling Highway Cottesloe WA 6011 Website: http://www.quickflix.com.au Telephone: (08) 9347 4900
Legal Adviser to the Offer	Bennett + Co Ground Floor, BGC Centre 28 The Esplanade Perth WA 6000

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Important Notice

This Prospectus is dated 6 March 2013 and a copy of this Prospectus was lodged with ASIC on 6 March 2013. The expiry date of the Prospectus is 5 April 2014 and no securities will be allotted, issued or sold on the basis of this Prospectus after this expiry date.

This Prospectus is for an offer of continuously quoted securities and accordingly is not required by the *Corporations Act* to contain all the information which is normally required to be set out in a document of this type.

The Prospectus incorporates by reference information contained in documents that have been lodged with ASIC. A document incorporated into the Prospectus in this manner may be obtained free of charge from the Company during the application period.

ASIC does not take any responsibility for the contents of this Prospectus. Neither ASIC, ASX, the Company and its directors guarantee any particular rate of return or the performance of the Company.

No person is authorised to give any information or to make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

It is important that you read this Prospectus carefully before deciding whether or not to accept the Offer described in the Prospectus and in particular, you should consider the risk factors that could affect the financial performance of the Company.

A number of words used in this Prospectus have defined meanings. Those terms are capitalised and are explained in the Glossary at the back of the Prospectus.

1 DETAILS OF THE OFFER

1.1 Overview of Offer

The Company has agreed to offer to Crede Capital or its designee Shares to the value of approximately $1,688,610 at an issue price of 2.4 cents per Share. The Company has also agreed to issue Crede Capital or its designee with 6 Options for each 10 Shares issued. The rights and liabilities applicable to the Shares and Options are set out in Section 3 of this Prospectus.

1.2 Purpose of Offer

The purpose of the Offer is to raise funds for working capital and other general corporate purposes.

1.3 Use of Funds

The application of funds raised from this Offer is summarised below:

Marketing and content acquisition	$1,000,000
Working capital	$548,610
Capital raising costs	$140,000
Total funds raised	$1,688,610

1.4 Proposed Capital Structure

The following table sets out details of the capital structure of the Company upon completion of the Offer, assuming no Options are exercised prior to the completion of the Offer and that the Offer is fully subscribed for.

SHARES	AMOUNT
Currently on issue	456,310,852
Shares to be issued pursuant to Offer	70,358,753
Total Shares on issue after this Offer	526,669,605

PREFERENCE SHARES	AMOUNT
Total currently on issue	85,895,621

OPTIONS	AMOUNT
Options exercisable at $0.05 on or before 28 July 2016. Options exercisable at $0.05 on or before 24 December 2013. Options exercisable at $0.085 on or before 9 December 2015. Options exercisable at $0.085 on or before 9 December 2016.	2,000,000 250,000 2,500,000 5,000,000
Total Options currently on issue	9,750,000
Options to be issued pursuant to Offer	42,215,251
Total Options on issue after this Offer	51,965,251

PERFORMANCE RIGHTS	AMOUNT
Total currently on issue	15,268,750

1.5 ASX Listing

Application for quotation by ASX of the Shares offered by this Prospectus will be made as soon as possible after the date of this Prospectus but in any event within 7 days after the date of this Prospectus.

1.6 No Offer of Shares or Options after 13 months

No Shares or Options will be granted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2 BUSINESS AND INVESTMENT RISKS

2.1 Overview

The Shares offered under this Prospectus are considered speculative. Activities of Quickflix are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls, however, many are outside the control of Quickflix and cannot be mitigated. There are also general risks associated with any investment in shares. Hence, investors should be aware that the performance of Quickflix may be affected and the value of its Shares may rise or fall over any given period. The Directors recommend that investors speak to their financial, legal or other advisor about these risks before making a decision to invest in the Shares.

The following summary, whilst not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

2.2 General risks

An investment in the Company involves general risks associated with any investment in shares of companies that are listed on a stock exchange. Many factors affect the financial performance of Quickflix and/or the price of its Shares and options. General risk factors include:

Movement in Australian and overseas share markets and financial markets generally

A number of factors affect the performance of stockmarket investments that could also affect the price at which shares trade on the ASX. Movements on international stock-markets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stock-market.

Changes in legislation and government regulation

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the Company and the attractiveness of an investment in it.

Economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

Acts of terrorism and outbreak of international hostilities

An act of terrorism or an outbreak of international hostilities may occur, adversely affecting consumer confidence, customer spending and share market performance. This may have an adverse impact on Quickflix’s operating, financial and share price performance.

2.3 Specific risks

Future profitability

Future growth is dependent upon many factors including those that are set out in this Offer Document. To date the Company has yet to achieve profitability as it has invested in rolling out its services and building a customer base. To achieve profitability the Company needs to increase revenues and/or reduce operating costs. There is no assurance that revenue will increase in response to marketing and promotional activities proposed to be undertaken by the Company or that the Company's services will be readily taken up by the market. The Company utilises services provided by other suppliers for the provision of its services. The cost of these services may change over time impacting the Company's operating costs. While the Company expects that certain unit costs will decline with scale, if operating costs grow faster than revenue in the near to medium term future profitability for the Company may be delayed.

There is also no assurance as to future profitability or that dividends can be paid as they are dependent upon future earnings and the working capital requirements of the Company.

Acquisition and retention of customers

Future revenue and profitability is dependent on Quickflix's ability to attract and retain new and existing customers. The Company has experienced significant customer growth over a number of years. To attract and retain customers the Company must provide a high quality and valuable entertainment service offering attractive content at pricing which is competitive with alternative choices for the consumer. Quickflix must attract new customers to replace existing customers who cancel and to grow its total customer base. If the Company does not provide a service which is perceived as being valuable by consumers, or new services introduced by other provides are more attractive, then customer growth will slow or possibly decline.

Quickflix holds a unique position in the Australian market as other only player offering both a physical DVD by post ("Post") and digital streaming ("Play") subscription service. The Company believes that the combination of the subscription Post and Play and pay per play streaming service is a compelling consumer offering. The integration across a broad range of internet connectable entertainment devices including smart TV's, game consoles, blu-ray players, tablets and smart phones makes the streaming service accessible to a large and growing consumer base.

The Company must continue to develop its content offering, device partnerships and pricing model to ensure its service remains competitive with existing and emerging competing services.

Access to content

The Company sources content in both physical (DVD, blu-ray) and digital (internet delivered) formats from studios and distributors for its services. The competitiveness and profitability of its services are dependent on the range and pricing of content under the supply arrangements it has with the content distributors.

Larger competitors of the Company may be in a position to negotiate more favourable supply arrangements for DVD and streaming content as well as influence the trading terms affecting the Company. If competitors are able to secure exclusive access to particular content, the

Company may not be able to provide particular titles to its customers. If the Company is unable to licence on acceptable terms particular content which is in demand by consumers the quality and/or profitability of its service could be adversely impacted.

The commercial terms on digital streaming content rights are different from the usual terms on physical product. Under streaming supply arrangements the Company may be committed to minimum amounts for multiple years with some minimums increasing over time. If the Company is unable to achieve customer growth its streaming content cost is likely to increase on a per customer basis which may adversely affect the Company's overall profitability.

Distribution across devices

Quickflix's streaming service is accessible across a range of connectable devices including PCs and Mac's, smart TVs, game consoles, tablets and smart phones. The Company continues to expand the range of devices and platforms from which consumers can access the service. If Quickflix is unable to maintain its integration with these devices or negotiate on acceptable terms access to new devices which become popular with consumers then its future growth and profitability could be adversely affected.

The quality of the Quickflix streaming service is dependent on the performance of third party devices and the technology platforms developed and maintained by the device manufactures. Is certain circumstances Quickflix may not be able to influence the underlying device performance which in turn affects the performance of the Quickflix service.

Adapting to rapid change in the entertainment market

The market for movie entertainment services is changing at a rapid rate. The introduction and adoption of new technologies is changing the ways consumers can receive and interact with movie and TV content. Quickflix's service model is built on the consumers continued use of physical media (DVD and Blu-ray) and their take-up of digital delivery over the internet to a growing range of connected devices. New competitors may emerge with business models geared to the changing environment or enter partnerships and alliances that allow them to compete aggressively in this market. If Quickflix is unable to adapt to the changing market it may not be competitive which would adversely affect future growth and profitability.

Competition

The Company's current and future potential competitors include companies with substantially greater resources than it. There is no assurance that competitors will not succeed in developing and offering services that are more effective or economic than those being developed by the Company or which would render the services obsolete and/or otherwise uncompetitive. In addition, the Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share.

Such price competition could result in price reductions, reduced gross margins, increased subscriber churn and loss of market share any of which could materially adversely affect the Company's future business, operating results and financial position.

Cost of customer acquisition

Quickflix attracts new customers utilising a wide range of marketing activity. The Company will target the lower cost, highest quality acquisition channels to drive growth and contain marketing expenses. The launch of the streaming service and development of the device network is expected to provide a significant new channel for acquiring customers at relatively low incremental cost. If the company is unable to leverage these channels to deliver target sign-up volumes and contain marketing cost per subscriber, or alternative low cost customer acquisition channels cannot be developed, growth will slow and/or marketing costs would need to increase to deliver growth.

Reliance on key personnel

The Company's performance is substantially dependent on its senior management and key technical personnel to continue to develop and manage the Company's services. The loss of key management could have a material adverse effect on the business and consequently its financial performance.

The future success of the Company is also dependent on its ability to attract and retain competent management and personnel. The inability to attract such personnel may adversely affect the business of the Company.

Operating on the internet

The Company's Post and Play services are dependent upon the development and maintenance of infrastructure to support the internet. The internet has experienced and is expected to continue to experience significant growth in the number of users and the amount of traffic. There can be no assurance that the internet's infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the internet will not be adversely affected. Similarly, the reliability and performance of the internet may be affected by computer viruses and/or other deliberate acts of terrorism and sabotage.

The Company's public website is hosted on multiple web servers to enhance its performance and provide a level of redundancy should a single web server fail. The application code base and database of customer, title and inventory information is backed-up regularly to a separate secure server.

Intellectual property rights and brand names

The Company regards brand names, trademarks, domain names, trade secrets and similar intellectual property as important to its success. The Company's business will be developed using one or more brand names. Should the brand or brand names be damaged in any way or lose market appeal, the Company's business could be adversely impacted.

The Company relies on copyright law, trade secret protection and duties of confidence and licence agreements with its employees, customers, contractors and others to protect its intellectual property rights.

While the Company will use all reasonable endeavours to protect these rights, unauthorised use or disclosure of its proprietary technology may have an adverse effect on the operating, marketing and financial performance of the Company.

Dependence on Australia Post

The Company depends on Australia Post to deliver DVDs from its fulfilment centres to subscribers and for their return. Quickflix is subject to risks associated with using the public postal service to meet its delivery requirements including delays caused by factors outside of its control.

Quickflix's envelopes are designed to meet the requirements of Australia Post's ordinary letter service and applicable postage charges and delivery timetable. Changes in the ordinary letter requirements and increases in postage charges and delivery timetable could result in higher delivery costs for Quickflix and slower turnaround of DVDs to subscribers.

Dependence on content delivery networks

The Company depends on third party content delivery networks to deliver its streaming service. Changes to the quality or pricing of such delivery services could have an adverse impact on the quality and profitability of the Quickflix service. Ongoing improvements in technology and competitiveness in content delivery services has seen the quality and pricing of such services improve in recent years and the Company sees no reason for this trend to change in future.

Dependence on internet service providers

Quickflix customers require internet access to receive the Quickflix service to their devices. Consumers rely on Internet Service Providers to provide internet access of a minimum speed and quality at an acceptable price. Video streaming services are relatively heavy users of bandwidth. Any deterioration in the quality or increase in the pricing of internet access could have a detrimental impact on the quality, cost and value to the consumer of the Quickflix service

Consolidation of the DVD segment

Quickflix derives significant revenue from its Post business mailing DVDs and Blu-ray discs to subscribers and is positioned to capture market share in this segment with consolidation in the traditional physical rental and retail services. If the take-up of digital streaming and download services is faster than expected, this may have an adverse impact on the DVD segment and growth in the Quickflix Post service. This risk may be mitigated if Quickflix can adapt and develop its streaming service to benefit from the faster transition.

Disruptions to the technology platform

The Quickflix service is accessed via the internet and its website, streaming service, DVD fulfilment and back-end infrastructure are hosted on technology platforms across range of software, hardware, communication network and suppliers. Disruptions to the service across any part of the technology platform could have an adverse impact on the service received by Quickflix customers which in-turn could impact growth and the cost of providing the service.

International operations

Quickflix has launched its Play service in New Zealand. Operating in a different country introduces additional political, regulatory and market risks to be managed. Quickflix may expand into other countries which could add further complexity. If these risks are not managed well these operations could adversely impact the performance of the group as a whole.

Additional requirements for capital

Depending on the Company's ability to generate income from operations, the Company may require further financing in addition to amounts raised in the Offer. Any additional equity financing will dilute shareholdings, and debt financing, may involve restrictions on business strategy and financing and operating activities.

Debt funding

In December 2012 the Company entered into an agreement for $5 million in loans and convertible bonds subject to certain conditions. The Company has commenced the drawdown of funds pursuant to the agreement. The Company will consider making further drawdowns if required subject to satisfaction of the drawdown conditions. If the funds drawn down under this facility are not converted into equity the Company may in future need to repay these funds together with any accumulated interest. The Company may also elect to enter into other debt funding arrangements in future. At the time of repayment it may need to raise additional funds via a debt or equity issue if the company doesn't have sufficient cash resources.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, services, products or technologies, although no such acquisitions or investments are currently planned. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

3 RIGHTS AND LIABILITIES ATTACHING TO THE QUICKFLIX SHARES AND OPTIONS

3.1 Shares

The rights attaching to ownership of the Shares to be issued pursuant to this Prospectus are detailed in the Constitution of the Company, which may be inspected during normal business hours at the Company's registered office. Set out below is a summary of the rights, liabilities, privileges and restrictions that will attach to the Shares.

(a) **Voting**

At a general meeting, every holder of Quickflix Shares present in person or by proxy, attorney or representative will have one vote on a show of hands and on a poll, one vote for each Quickflix Share held.

(b) **General Meeting**

Each holder of Quickflix Shares is entitled to receive notice of, and to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the *Corporations Act*.

(c) **Dividends**

The profits of the Company which the directors from time to time may determine by way of dividend are divisible amongst the members in proportion to the amounts paid up on the shares held by them.

(d) **Issue of further Quickflix Shares**

The directors may (subject to the restrictions on the allotment of shares imposed by the Constitution, ASX listing rules and the *Corporations Act*) allot further Quickflix Shares on such terms and conditions as they see fit and issue preference shares on the terms set out in the Constitution.

(e) **Transfers of Quickflix Shares**

Holders of Quickflix Shares may transfer them by a proper transfer effected in accordance with the ASTC Settlement Rules and the ASX and as otherwise permitted by the Corporations Act.

The directors may decline to register a transfer of Quickflix Shares where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules. If the directors decline to register a transfer the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

(f) **Winding Up**

Holder of Quickflix Shares will be entitled, in a winding up of the Company to share in any surplus assets of the Company in proportion to the Quickflix Shares held by them.

3.2 Options

The rights and liabilities attaching to ownership of the Options to be issued pursuant to the Prospectus are set out below.

(a) **Nature of Options**

Each Option shall grant the holder of that Option the right but not the obligation to be issued by the Company a Share.

Each Option shall be exercisable by the holder at any time after the time of its grant and prior to the date 5 years after the date of its grant (the "Option Expiration Date"), after which time it will lapse.

(b) **Exercise of Options**

The holder of an Option may exercise an Option at any time prior to its expiration, by:

(i) delivery of a duly executed option exercise notice in relation to the Option (the "Exercise Form") to the Company; and

(ii) payment of the Option Exercise Price.

As soon as reasonably practicable, but in any event no later than one Business Day after receipt of a duly completed Option Exercise Notice and the payment referred to in paragraph (b)(ii), the Company shall issue Shares to which the holder is entitled following the exercise of the Options.

(c) **Option Exchange Notice**

(i) This paragraph (c) shall not apply if ASX notifies the Company that it objects to the terms of Options set out in this paragraph (c).

(ii) The holder shall also have the right (but not the obligation), exercisable in relation to an Option on or after the date that is 30 days after the issue of the Option but before the expiration of such Option, to surrender the Option for cancellation by the Company for an amount of cash determined in accordance with this paragraph (c) (or, at the Company's sole election, a number of fully paid Shares determined in accordance with this paragraph (c)) without paying any additional consideration. Options may only be surrendered by the holder in the event the Shares trade below the Reference Price for a period of 10 consecutive Trading Days.

(iii) If the holder wishes to exercise its right to surrender an Option, then the holder must value the Option in accordance with the Black-Scholes model as set out in paragraph (v) below. Once the value of the Option has been determined ("Surrender Value") the holder may elect to surrender the Option for payment by the Company to the holder of cash equal to the Surrender Value or, at the Company's election in accordance with this paragraph (c), and subject to paragraph (xii) below, in exchange for such number of Shares (rounded to the nearest whole Share) calculated by dividing the Surrender Value by the Closing Bid Price on the last Trading Day immediately before the date on which the holder delivers an Option Exchange Notice under paragraph (iv) below ("Notification Date"). If the Company elects to discharge its obligation to pay the Surrender Value in Shares, then it must notify the holder of its intention to do so within 2 Business Days of receipt of the Option Exchange Notice.

(iv) The holder shall exercise the right referred to in paragraph (ii) above by delivering written notice to the Company, setting out the Surrender Value of the Options which it wishes to surrender for cancellation, whether by facsimile or otherwise, during normal business hours on any Trading Day at the

Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder) ("Option Exchange Notice").

(v) For the purposes of determining the Surrender Value of a particular Option which the holder is entitled to surrender, pursuant to sub-section (ii),the parties shall use the Black- Scholes model as developed in 1973 by Fisher Black, Robert Merton and Myron Scholes. To calculate the value of Options under Black-Scholes, the parties shall use the Economic Research Institute's Black-Scholes calculator, where the Volatility shall be 135%, the 'Current Share Price' shall be the Reference Price, the ‘Option Strike Price’ shall be the Option Exercise Price and the “Time to Expiry” shall be 5 years.

(vi) If the Company does not dispute the Option Exchange Notice within 1 Business Day of receipt of same, then the contents therein (including the calculation of the number of Shares) will be taken to be conclusive, final and binding on the parties. If the Company does dispute the holder's calculation of the number of Shares as set out in the Option Exchange Notice then it must notify the holder, in writing ("Dispute Notice"), within 1 Business Day of receipt of the Option Exchange Notice setting out in its Dispute Notice the basis on which it disputes the Option Exchange Notice ("Disputed Matters").

(vii) If the Company and the holder cannot resolve the Disputed Matters within 2 Business Days of receipt by the holder of the Dispute Notice, then the parties must refer the matter to the President for the time being of the Institute of Chartered Accountants in Australia to appoint an independent person with the necessary actuarial expertise ("Expert") to determine the Disputed Matters.

(viii) The Company and holder must provide all information and assistance the Expert reasonably requests for the purpose of determining the Disputed Matters in a written report ("Expert's Report").

(ix) The Expert must issue the Expert's Report determining the Disputed Matters as soon as possible. The Expert will act as an expert, not an arbitrator, in determining the Disputed Matters and his decision as set out in the Expert's Report is final, conclusive and binding on the parties (except in the case of manifest error).

(x) The cost of the Expert must be paid by the party against whom the determination of the Expert is made and the parties must instruct the Expert to make a decision on this matter. If the Expert is, for any reason whatsoever, unable to make a decision on the matter, then his costs must be borne equally between the Company and the holder.

(xi) Subject to Section (c)(xii), the Company must pay an amount equal to the Surrender Value into the holder's nominated account or issue the Shares to the holder or its nominee in accordance with this Section (c) (instead of paying cash) equal to the Surrender Value, within 1 Business Day of the Surrender Value being agreed or determined in accordance with this section.

(xii) The Company may not elect to discharge its obligation to pay the Surrender Value by issuing Shares to the extent the Company would require shareholder approval for the issue of Shares in which case it may issue the maximum number of Shares it can issue without shareholder approval and it shall pay the remaining portion of the Surrender Value to the holder in cash.

(xiii) Nothing shall restrict the holder from giving an Option Exchange Notice to the Company if the Closing Bid Price on the immediately preceding Trading Day of the date on which the Option Exchange Notice is given, is less than the Option Exercise Price.

(d) **Call of the Options by the Company**

In the event that the Shares trade at a price 25% or more above the Option Exercise Price for a period of 20 consecutive Trading Days (with average daily dollar volume at least equal to AU$400,000), the Company may call for the investor to exercise the maximum number of Options that will not require the Company to obtain shareholder approval for the issue of Shares on exercise of the Options and require the holder to exercise such Options at the Option Exercise Price. Upon receiving such a notice from the Company, the holder must deliver the Option Exercise Price and pay the Option Exercise Price in accordance with clause (b).

(e) **Bonus Issues**

If, prior to an exercise of an Option, the Company makes a bonus issue of Shares (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Options would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

(f) **Rights Issues**

If, prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Shareholding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules applying to options in relation to pro-rata issues (except bonus issues).

(g) **Reconstruction of Capital**

In the event of a consolidation, subdivision or similar reconstruction or reorganization of the issued capital of the Company, then the rights of the Option holder in respect of an Option will be changed to the extent necessary to comply with the Listing Rules and/or the Act applying to a reorganization of capital at the time of the reorganisation.

(h) **Cumulative Adjustments**

Full effect shall be given to the provisions of Sections (e) to (g), as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

(i) **Notice of Adjustments**

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price is adjusted pursuant to this Agreement, the Company shall give notice of the adjustment to all the Option holders, within one Trading Day thereof.

(j) **Rights prior to Exercise**

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

(k) **Redemption**

The Options shall not be redeemable by the Company.

4 ADDITIONAL INFORMATION

4.1 Interests of Directors

Other than set out below or elsewhere in this Prospectus:

(a) No director of the Company has, or has had in the 2 years before lodgement of this Prospectus, any interest in:

  (i) the formation or promotion of the Company; or

  (ii) in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or

  (iii) the Offer.

(b) No amount, has been paid or agreed to be paid to any director of the Company either to induce him to become, or to qualify as a director, or otherwise for services rendered by him in connection with:

  (i) the promotion or formation of the Company; or

  (ii) the Offer.

Interests of Directors in Securities

Directors are not required under the Constitution to hold any shares in the Company.

At the date of this Prospectus, directors of the Company have relevant interests in the following securities in the Company:

DIRECTOR	SHARES
David Sanders	500,000
Stephen Langsford	58,150,885
Simon Hodge	7,802,599

Directors' Fees

The Constitution of the Company provides that the directors are entitled to such remuneration as the directors determine, but the remuneration of non-executive directors must not exceed in aggregate a maximum amount fixed by the Company in general meeting for that purpose. The current maximum is $200,000.

Executive Director Remuneration

The executive directors of the Company are remunerated on commercial terms appropriate to their experience and role in the Company. Their remuneration is detailed in the Company's 2012 Annual Report.

4.2 Interests of Named Parties

Other than as set out below or elsewhere in this Prospectus:

(a) No person named in the Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus or as underwriter has, or has had in the 2 years before lodgement of this Prospectus, any interest in the:

   (i) formation or promotion of the Company; or

   (ii) in any property proposed to be acquired by the Company in connection with its formation or promotion; or

   (iii) the Offer.

(b) no amount has been paid or agreed to be paid to any such person for services rendered by them in connection with:

   (i) the promotion or formation of the Company; or

   (ii) the Offer.

Bennett + Co

Bennett + Co has acted as legal advisor to the Offer and in that capacity has been involved in providing legal advice to the Company in relation to the Offer. The Company will pay Bennett + Co approximately $5,000 for these services.

4.3 Consents

Each of the directors has given and has not withdrawn their consent to the issue of the Prospectus.

Bennett + Co has given and has not withdrawn its consent to be named as legal advisers to the Offer. Bennett + Co has not authorised or caused the issue of this Prospectus and therefore they take no responsibility for any part of the Prospectus other than references to their name.

4.4 Share Trading History

The highest and lowest market price of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgement of this Prospectus with ASIC, were:

	PRICE	DATE
Highest	4.6 cents	28 December 2012
Lowest	1.4 cents	7 December 2012
Latest	2.5 cents	6 March 2013

4.5 Litigation

Quickflix is not a party to any material litigation, nor are the directors aware of any potential or threatened litigation that is likely to have a material effect on the Company.

4.6 Continuous Disclosure and Documents Available for Inspection

The Company is a “disclosing entity” for the purposes of section 111AC and section 713 of the *Corporations Act*. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Shares to be issued pursuant to this Prospectus are continuously quoted securities.

In general terms, prospectuses in relation to continuously quoted securities are only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the *Corporations Act* states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the *Corporations Act*) may be obtained from, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the Annual Financial Report for the Company for the financial year ended 30 June 2012, (being the last annual financial report to be lodged with ASIC in relation to the Company before the issue of this Prospectus);

    (ii) the Half Year Financial Report for the period ending 31 December 2012 (being a half year financial report lodged with ASIC after the lodgement of the Annual Financial Report and before the issue of this Prospectus); and

    (iii) all documents used to notify the ASX of information relating to the Company under the provisions of the ASX listing rules in the period since lodgement of the Annual Financial Report for the financial year ended 30 June 2012 and ending before the issue of this Prospectus.

4.7 Documents Incorporated in Prospectus

Pursuant to Section 712 of the *Corporations Act* the following documents have been released to ASX and lodged with ASIC since the 2012 Annual Financial Report was lodged, and are incorporated in this Prospectus. A copy of these documents can be obtained free of charge from the ASX website or from the Company by telephoning Quickflix on (08) 9347 4900 or emailing Quickflix at investors@quickflix.com.au during the application period for the Prospectus:

Lodgement Date	Description of Document
28/02/2013	Appendix 3B
28/02/2013	Appendix 4D and 31 December 2012 Half Year Financial Report
27/02/2013	Change of Registered Office
12/02/2013	Appendix 3B
08/02/2013	Change in substantial holding
31/01/2013	Quickflix Delivers Steady Performance in Challenging Quarter
31/01/2013	Quarterly Update with Appendix 4C December 2012
29/01/2013	Quickflix Announces Partnership with LG
14/01/2013	Appendix 3B
28/12/2012	Appendix 3B
28/12/2012	Change in substantial holding
24/12/2012	Quickflix Secures Funding
14/12/2012	Quickflix and Blackberry Partnership
13/12/2012	Quickflix to Stream to Kobo eReader
12/12/2012	Quickflix to Stream to Humax PVRs
07/12/2012	Change in substantial holding
05/12/2012	Quickflix Corrects Misleading Media Article
04/12/2012	Addendum to 2012 Annual Report
04/12/2012	Major Distribution Deal in NZ
03/12/2012	Constitution
03/12/2012	Quickflix Corrects Media Article
30/11/2012	Initial Director’s Interest Notice
30/11/2012	Reinstatement to Official Quotation
30/11/2012	Quickflix Announces Board Appointment & Requests Requotation
30/11/2012	Results of Annual General Meeting
29/11/2012	Quickflix Update

Lodgement Date	Description of Document
23/11/2012	Final Director's Interest Notice x 2
20/11/2012	Quickflix Announces Board and Management Changes
19/11/2012	Final Director's Interest Notice
16/11/2012	Quickflix Announces Change to Board
15/11/2012	Voluntary Suspension
13/11/2012	Trading halt
12/11/2012	Change of Director's Interest Notice
12/11/2012	Appendix 3B
12/11/2012	Quickflix Streaming Set for Launch on Xbox 360
31/10/2012	Return to Subscriber Growth in Quarter
31/10/2012	Quarterly Update and Appendix 4C September 2012
29/10/2012	Notice of Annual General Meeting/Proxy Form
17/10/2012	2012 Annual Report
16/10/2012	Change in Substantial Holding
09/10/2012	Quickflix Partners with Optus
28/09/2012	Quickflix Sets Date for Xbox Launch
27/09/2012	Global Device Leader D-Link Partners with Quickflix
26/09/2012	Quickflix Signs Pay Per View Deal with Starz
25/09/2012	Quickflix Pay Per Play Streaming Added to Samsung
10/09/2012	New Streaming Content Deals
07/09/2012	Initial Director's Interest Notice
07/09/2012	Final Director's Interest Notice
07/09/2012	Quickflix Announces Board Appointment
31/08/2012	New device partnership for low-cost Smart TV Streaming

5 GLOSSARY

Abbreviation	Description
ASIC	means Australian Securities and Investments Commission
ASX	means ASX Limited ABN 98 008 624 691
Business Day	means Monday to Friday inclusive except for public holidays and any other day that the ASX declares is not a business day
Closing Bid Price	means the closing bid price for Shares on ASX on a trading day
Company	means Quickflix Limited ABN 62 102 459 352
Corporations Act	means *Corporations Act 2001* as amended from time to time
Crede Capital	means Crede Capital Group, LLC
Listing Rules	means the ASX Listing Rules
Offer	means an offer of Quickflix Shares and Options made pursuant to this Prospectus
Option	means an option to subscribe for a Share
Option Exercise Price	means 130% of the Reference Price, subject to any adjustments required by the terms and conditions of the Options
Prospectus	means this Prospectus
Quickflix	means Quickflix Limited ABN 62 102 459 352
Reference Price	means the issue price of Shares pursuant to this Prospectus
Share	means a fully paid ordinary share in the capital of the Company
Trading Day	means a day designated by ASX as a trading day excluding any day that Shares are not scheduled to trade for at least 5 hours or on which trading in Shares is suspended
WST	means Western Australian Standard Time