

8 April 2013

FUNDING AND OPERATIONS UPDATE.

Further to recent announcements, in the March quarter Quickflix Limited has received approximately \$1.7 million in equity funding from Crede Capital, a global institutional investor, and commenced the drawdown of loan funds from Gleneagle Securities, receiving approximately \$860,000 of the first tranche of \$1.5 million.

Over the past quarter, Quickflix has made excellent progress in its restructuring, establishing a lower cost base whilst initiating new content negotiations and marketing partnerships which if concluded will underpin future quarters' growth. Quickflix expects to make further announcements shortly regarding significant content and distribution partnerships which will enhance its position as Australia and New Zealand's leading movie and TV streaming service.

As Gleneagle Securities as nominee for investors introduced by BluePrint Partners, has not provided the balance of the first tranche, the Board does not consider it in the best interests of shareholders to appoint the nominees of Gleneagle Securities to the Board at this stage. The failure of Gleneagle Securities to provide the balance of the first tranche is a breach of the facility terms. On this basis Quickflix is entitled not to appoint the nominees. Gleneagle Securities contends that the non-appointment of their nominees represents a breach by Quickflix of its obligations, which the Company rejects.

In these circumstances and as Quickflix does not require further funding from Gleneagle Securities and has funds available to repay the monies advanced to date, the Board has decided not to pursue any further drawdown from Gleneagles Securities at this time. As Gleneagle Securities acts as a nominee for a series of investors, the Board intends to pursue discussions both with Gleneagle Securities and the investors it acts as nominee for with a view to enabling those investors who wish to continue with their investment in the company to do so, and will make a further announcement as to the outcome of those discussions when they have been concluded.

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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.









