



ENTELECT LIMITED
ASX: ESN

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3 April 2014

ASX/Media Release (ASX:ESN)

Appendix 3B – Placement

Entellect Limited (**Entellect** or the **Company**) is pleased to announce that it has completed a capital raising of \$464,000 by way of a share placement.

Under the placement, the Company has issued 232,000,000 ordinary shares at an issue price of \$0.002 per share. In accordance with the terms of the placement, subscribers are entitled to receive one free attaching option to acquire an ordinary share for every two placement shares subscribed for. The free attaching options, which will be exercisable at \$0.002 on or before 3 October 2015, will be issued pursuant to shareholder approval at an extraordinary general meeting which Entellect expects to hold shortly.

The placement has been completed utilising the Company's maximum allowable capacity to issue shares under Listing Rules 7.1 and 7.1A.

The share placement was heavily oversubscribed and was made to new and existing shareholders who are sophisticated investors located in Australia and Asia.

An Appendix 3B is attached.

For any queries please contact:

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About Entellect Limited & KNeoWORLD:

Entellect's 80% owned KneoWORLD is a publishing house whose business revolves around selling engaging educational games through its fun KNeoWORLD Games Portal in the exciting education by entertainment games sector.

Games that have inherent educational value are licenced from independent developers and sold via subscriptions to its primary market of parents of 5-12 year old children (initially USA – but unrestricted and already worldwide) who by subscribing, give their children an educational advantage by playing fun and engaging games with validated educational content. Marketing is primarily via US school Parent Teacher Associations as a fund raising initiative Associations and direct to online consumers via social media.

We accelerate learning using compelling and fun online games infused with validated educational content, all embedded in a total virtual KNeoWORLD, to teach the higher order skills required by children to succeed in today's knowledge-based economy - we go beyond school and beyond homework.

Our goal is to become one of the world's leading game based learning publishers.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ENTELLECT LIMITED

ABN

41 009 221 783

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 232,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
If the additional +securities do | The ordinary shares will be quoted and will rank equally with all other ordinary shares on issue in the Company. |

+ See chapter 19 for defined terms.

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<p>not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
<p>5 Issue price or consideration</p>	<p>\$0.002 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To raise funds for the on-going working capital requirements of the Company</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>29 November 2013</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>172,702,423 shares</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>59,297,577 shares</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>Nil</p>

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6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

Yes, the issue price of the securities issued is at least 75% of the 15 day VWAP. The issue date is 3 April 2014. The VWAP as calculated under rule 7.1A.3 is \$0.001 and the issue price is \$0.002. The source of the VWAP calculation is Orient Capital Pty Ltd.

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

See Annexure 1

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

3 April 2014

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	2,588,122,932	Fully paid ordinary shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	38	Convertible Notes
	225,000,000	Options
	89,000,000	Performance Rights

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Rank equally

Part 2 - Pro rata issue

11 Is security holder approval required?

N/A

+ See chapter 19 for defined terms.

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12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

+ See chapter 19 for defined terms.

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- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
 If the additional +securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	N/A	N/A

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



SOPHIE KARZIS
Company Secretary
3 April 2014

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue	1,301,122,932 fully paid ordinary shares
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid *ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>Nil</p> <ul style="list-style-type: none"> ▪ 100,000,000 shares issued on 30 April 2013 ▪ 10,168,440 shares issued on 7 June 2013 ▪ 200,000,000 shares issued on 29 July 2013 ▪ 30,000,000 shares issued on 5 August 2013 ▪ 25,000,000 shares issued on 6 December 2013 ▪ 100,000,000 shares issued on 10 December 2013 ▪ 75,000,000 shares issued on 18 December 2013 ▪ 25,000,000 shares issued on 23 December 2013 ▪ 125,000,000 shares issued on 10 January 2014 ▪ 100,000,000 shares issued on 11 February 2014 ▪ 100,000,000 shares issued on 3 March 2014 <p>N/A</p>
Subtract the number of fully paid *ordinary securities cancelled during that 12 month period	Nil

+ See chapter 19 for defined terms.

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“A”	2,191,291,372
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	328,693,706

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of *equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>3 convertible notes, each with a face value of \$25,000 (and an aggregate value of \$100,000) (Notes), which if collectively converted at the conversion price of \$0.001, will be converted into 75,000,000 underlying conversion shares*.</p> <p>75,000,000 free attaching options to the Notes, which if collectively exercised, will be converted into 75,000,000 underlying shares*.</p> <p><i>*these 150,000,000 underlying shares have NOT been issued by the Company.</i></p> <p>5,000,000 shares issued on 11 February 2014</p> <p>172,702,423 shares issued on 3 April 2014</p>
“C”	327,702,423
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	328,693,706
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	327,702,423
<p>Total [“A” x 0.15] – “C”</p>	<p>991,283</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,191,291,372
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	219,129,137
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	<ul style="list-style-type: none"> ▪ 14,831,560 ordinary shares issued on 7 June 2013 ▪ 35,000,000 ordinary shares issued on 5 August 2013 ▪ 80,000,000 ordinary shares issued on 24 October 2013 ▪ 30,000,000 ordinary shares issued on 30 October 2013 ▪ 59,297,577 ordinary shares issued on 3 April 2013
“E”	219,129,137
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	219,129,137
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	219,129,137
Total [“A” x 0.10] – “E”	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULE 3.10.5A

Entellect Limited provides the following information as required under ASX Listing Rule 3.10.5A as follows:

- (a) Dilution to existing shareholders as a result of the shares issued pursuant to the placement under Listing Rule 7.1A (59,297,577 shares) is 2.52%.
- (b) The Company issued shares to sophisticated investors as it was considered to be a more efficient and expedient manner to raise the funds for general working capital purposes.
- (c) No underwriting arrangements were entered into in relation to the placement.
- (d) No fees or commissions were payable in relation to the placement.