

## ASX/Media Release (ASX:ESN)

9 February 2015

### Appointment of Director and Company Update

#### Key points:

- Appointment of US based Director, Frank Lieberman
- Completion of Unmarketable Share Parcel Sale Program
- Sales initiatives in US, China and new regions
- Continued Sophisticated Investor commitment to new funding

#### Appointment of New Director

Entellect Limited (**Entellect** or the **Company**) is pleased to announce that Franklin B. Lieberman, its New York Game Based Learning advisor, has accepted appointment to the Board of Entellect as an Executive Director. Mr. Lieberman's appointment is effective immediately, and an Appendix 3X will shortly follow this announcement.

Mr. Lieberman is widely recognized as a very experienced and accomplished media and marketing executive. For 20 years Mr. Lieberman ran his own innovative marketing strategy communications business specializing in creating awareness for major corporations including AT&T, IBM, Hoffmann-LaRoche, PepsiCo, Pfizer, Johnson & Johnson, Warner Lambert, Coca Cola, Universal Pictures and j Walter Thompson. He has been at the forefront of establishing blueprints for today's multi-faceted entertainment companies entering the emerging cross-electronic media superhighways (cable, Internet, new publishing, etc.) and his understanding of future entertainment delivery systems equips him to advise firsthand on these profitable channels.

He collaborated with Carlo Spicola providing creative services to MTV for many of the company's divisions; MTV On-Air Promos, MTVN Creative Services and various Nickelodeon divisions including the launch of NICK@AOL and Nick.com. He has produced educational games for US television including rendering the pilots for the highly successful Southpark series.

Mr. Lieberman has served as Executive Producer of feature films for Warner Bros. and has produced numerous TV shows for NBC, CBS, ABC, PBS, and special video music industry projects for A & M Records. Additionally, he sits on the board of the Council for Unity, a NY borough unification program and has worked closely with the United Federation of Teachers and the American Federation of Teachers for the past six years. Mr. Lieberman is engaged on a full time basis in the deployment of KNeoWORLD. He is driven not only by the desire for commercial success of KNeoWORLD but also by the educational benefits it provides to young students. He is extremely well connected in NY, the education system and beyond and his industry experience and NY residency will provide Entellect with far

greater representation and visibility in the US markets. Mr. Lieberman and his team are the driving force behind the PTA marketing initiative and the revenue to be secured from Corporate, government and private foundations who provide funds to less affluent schools to adopt education programs, including KNeoWORLD's Game Based Learning Portal.

### **Completion of Unmarketable Share Parcel Sale Program**

The Company also confirms the Unmarketable Share Parcel Sale Program that commenced last year and was underwritten by Red Hill Capital (Singapore) is now complete. The Program has resulted in a reduction of shareholders from 4,500 to approximately 890 thereby substantially reducing corporate costs.

### **Sales initiatives in US and China**

Previously announced marketing initiatives continue to progress and revenue from these activities is expected shortly. The Company is currently in the process of connecting the Mandarin version of the Android App developed for the Chinese market under the distribution agreement executed with SmartTrans (ASX:SMA). As previously announced, SmartTrans' Telco payment platform has access to 1.3 billion mobile devices via the 3 major telecommunications providers in China.

In December, the Company announced significant revenue commitments for its KNeoWORLD Game Based Learning Portal via selected New York City schools. This initial revenue, in excess US\$100,000, was receivable in January 2015 and is anticipated to be the commencement of further similar revenue as the model is deployed in additional New York City schools from January 2015 onwards. The anticipated revenue receipt for January has been delayed by administrative approvals within those schools and the NY Board of Education. This delay is simply process in nature and Entellect will update the market regularly on the approvals progress.

### **Continued Sophisticated Investor commitment to new funding**

The Company also confirms it has received substantial commitments for additional funding from existing and new sophisticated investors which will accelerate the continued commercialisation of its products. An Appendix 3B will be released to the market this week confirming the details. The Company confirms that Convertible Notes maturing on 28 February 2015 are in the process of either being converted to shares, with some conversions having already been advised, or extended, thereby removing the requirement for cash redemption.

#### **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 and as downloadable Apps 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 who by subscribing, give their children an educational advantage by playing fun and engaging games with validated educational content. The Games Portal and Apps are available globally for both educational facilities and the

consumer market with defined distribution channels established in the USA and China and other regions being added progressively.

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.

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

**For further information please contact:**

**James Kellett**, Chief Executive Officer  
**Entellect Limited**  
T: (03) 9286 7500 M: 0439 805 070  
E: [james.kellett@entellect.com.au](mailto:james.kellett@entellect.com.au)

**Sophie Karzis**, Company Secretary  
**Entellect Limited**  
T: (03) 9286 7500  
E: [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au)