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ASX/Media Release **(ASX:ESN)**

Appointment of Senior Executive and Company Update

Key points:

- Appointment of US-based Senior Producer, Carlo Spicola
- Out-source of Web & App product development to single firm
- Sales initiatives in US and China
- Continued sophisticated investor commitment to new funding

Entellect Limited (ESN) (**Entellect** or the **Company**) is pleased to announce that US-based Mr. Carlo Spicola has been appointed Senior Producer to the Company's games-based learning portal, KNeoWORLD. Mr. Spicola has had a distinguished career in digital media technologies and application development. He has provided application development, content design and new media consulting for MusiKube (technology platform now used for Shazam), Viacom and Children's Television Workshop. He has also undertaken web site development for Ocean World Adventure Park, Sony Audio, Viacom and Warner Communications. Other production credits for Mr. Spicola include the interactive tour of "Arnold's Room" for Nickelodeon and virtual reality projects for Apple Computer and Sesame Street. He was also part of the team that launched MTV Latin America.

As multi-media manager and content producer for Nickelodeon's Nick Online group, Mr. Spicola created the number-one children's online destination, including Hey Arnold, the most downloaded children's interactive toy on the Internet. Mr. Spicola also was in charge of conceptualising, pitching and producing co-branded online/integrated advertising and new media content projects for Nintendo, Pokémon, General Mills, the GAP and Kraft Foods.

Mr. Spicola believes the new release of KNeoWORLD, including both Story and Arcade, is a product with outstanding commercial opportunity that can be further developed and finessed to achieve substantial revenue across a broad number of sales channels. Entellect is delighted Mr. Spicola has agreed to join KNeoWORLD and provide his expertise to further its development and commercialisation.

The Company also is pleased to advise it has out-sourced its web and application product development to Blastoff of Goa, India, a company that specialises in cross-platform mobile applications. Mr. Indrajit Chowdhury, the founder of Blastoff, has had many years' experience in web application development, first at Nickelodeon and then in New York and India. He has spent more than 10 years architecting and building software-as-a-service ecommerce and content management systems. Mr. Chowdhury has worked with Mr. Spicola over a number of years to successfully commercialise web- and apps-based products. A Blastoff partner, Mr. Rakesh Kamat, will co-ordinate the centralised development activities. Mr. Kamat has 15 years of experience in enterprise software development and has worked with some of the leading information technology companies in devising and delivering IT strategies for multiple startups in social networking, iBeacon, ecommerce and online

learning. Mr. Kamat will act as Chief Technology Officer at KNeoWORLD and will drive KNeoWORLD's technology strategy to continue to deliver innovative products.

Entellect believes that the joint appointment of Mr. Spicola and Blastoff will deliver a real cost saving at the operating level, accelerate product development and enhance and generate earlier and greater revenue opportunities. Mr. Spicola and Blastoff will work closely with New York based Entellect director Frank Lieberman with whom they have previously successfully commercialised online entertainment products. Mr. Lieberman and his team remain the driving force behind the PTA marketing initiative and the revenue to be secured from corporate, government and private foundations that provide funds to less affluent schools to adopt education programs, including the KNeoWORLD Game Based Learning Portal.

Previously announced marketing initiatives continue to progress and revenue from these activities is expected shortly. The Company continues 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 three major telephony providers in China. The connection process is being completed by Blastoff now.

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 by the NY Department of Education. This delay remains a process in nature and Entellect is working vigorously with the schools to complete the process and will update the market regularly on progress.

The Company also is working with District 75, the NYC public school district for special needs children, with over 200,000 students. PS 811X in the Bronx, part of District 75, is presently using KNeoWORLD games to enhance learning for its special needs students and is consequently expediting KNeoWORLD's vendor application through to the Department of Education approval process to enable direct purchase of the KNeoWORLD Portal for its school and others in District 75 thereby circumventing administrative delays experienced in other school districts.

The Company also can confirm it has received substantial commitments for additional funding from existing and new sophisticated investors that will enable it to continue the commercialisation of its products.

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 to 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.

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