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ASX/Media Release

(ASX:KNM)

KNeoMedia secures exclusive US distribution rights for popular Clever Goats learning apps

- **KNeoMedia to have sole distribution rights for popular learning brand – over 250,000 units sold**
- **14 Edutainment apps designed for 4-8 year olds complementing KNeoWorld’s existing offering**
- **Initial fast track phase for 90 days while detailing further three year exclusive deal**
- **Apps will considerably strengthen offerings in the US market and in other regions**

Online education publisher **KNeoMedia Limited** (“KNeoMedia” or the “Company”) (ASX: KNM) is pleased to announce that the Company has entered into an agreement with Clever Goats Media™, under which it will have exclusive distribution rights for the popular Clever Goats children’s mobile learning app.

The initial phase of the agreement is for 90 days, during which KNeoMedia will fast track distribution and sales of the Clever Goats apps and the two companies will work closely towards a more detailed and comprehensive agreement, anticipated to be for three years.

Having sold over 250,000 units in the US without marketing, Clever Goats Media™ is poised to become a leader in edutainment (education + entertainment) content for children aged 4-8 years in this large and growing market sector.

This partnership greatly enhances and is an ideal fit for KNeoMedia’s KNeoWorld product suite, and the market channels the Company has established over time and with substantial investment in the US and beyond. The Company also plans to distribute the products in other regions through its established channels.

KNeoMedia’s Chief Executive Officer, James Kellett commented: “We have made very substantial investment in establishing validated channels to market in the US and elsewhere in education and edutainment with intention of distributing products additional to our KNeoWorld range through those channels. Clever Goats is an ideal product to deliver to those channels and will considerably strengthen our suite of offerings and revenue opportunities in the US, where we are now well established, and in the Asian region.

“The Clever Goats apps are a complementary fit for our KNeoWorld range of edutainment offerings as they also address the important learning needs for children in the 4-8 year old age range, arguably the most critical years for a child’s learning and development.”

“The apps also meet a large and growing market opportunity in the US. This is demonstrated by the rapid uptake of this product with over 250,000 units sold without the benefit of targeted marketing that we will now be providing. It is also our intention to distribute the products in other geographic regions through our existing partnerships and distribution networks.”

“I look forward to updating shareholders on our progress with these initiatives and on other news over the coming weeks and months.”

– ENDS –

About Clever Goats Media™:

Clever Goats Media™ creates interactive workbook, storybook and game applications for children 4-8. Clever Goats' apps are designed by experts in the fields of education and kid's entertainment. Their safe and age-appropriate apps are built with the guidance of accredited & licensed teachers and professionals making them perfect supplementary tools for both in and out of the classroom. Each app is led by one of the adorable four-legged instructors from the Clever Goats team – a diverse collection of characters founded in the core competencies of education.

About KNeoMedia Limited:

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment).

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games portal, Apps Stores and via distribution agreements and education departments.

Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.

KNeoWORLD is a fun education games portal where young students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. KNeoWORLD Apps comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.

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