

26 February 2016

Dear Shareholder

SHARE SALE PLAN

Today Snakk Media Limited has launched a Share Sale Plan. The purpose of this plan is to give smaller shareholders the chance either to sell their shares cost effectively or to buy more shares.

As well, in conjunction with the Share Sale Plan, we are giving larger shareholders the opportunity to buy more shares.

Finally, we are giving notice to our smallest shareholders, those holding fewer than 500 shares, that they must participate in the Share Sale Plan or their shares will be sold compulsorily.

Why are we doing this?

The Share Sale Plan will benefit Snakk by helping to rationalise our share register, which currently has nearly 3,500 shareholders, many of whom have very small shareholdings. Your Board believes that this is a large number for a company of our size and appreciates that many shareholders did not obtain their shares voluntarily.

Snakk incurs higher administrative costs as a result of having such a fragmented shareholder base, so it is in the interests of us all to make the register smaller. It also makes funding our future growth opportunities more challenging.

However, we appreciate that relatively high brokerage costs compared to the value of a small parcel of Snakk shares makes it less attractive for small shareholders to sell their shares. This affects all shareholders, as it reduces the liquidity of our shares.

The Share Sale Plan helps address these issues:

- The Plan offers a cost effective method for small shareholders to dispose of small parcels of shares, as Snakk co-ordinates the sale of their shares and pays brokerage on their behalf.
- Under the Plan, Snakk will also allow those small shareholders who wish to continue to hold shares to “top up” their existing holdings.

Background to the Share Sale Plan

In the past year, Snakk has undertaken a Capital Strategy Program to provide it with the leadership, capital, shareholder base and market support it needs to continue its growth trajectory and expansion into Southeast Asia. The Share Sale Plan continues this process.

To recap on these steps:

- We have refreshed and reinvigorated the Board, with my appointment as Chairman and the appointment of Martin Riegel and Rob Antulov as Independent Directors.
- We undertook a successful capital raising of \$2.2m (an increase from its original target of \$1.5m), providing the company with the capital it needs to take advantage of organic growth opportunities. It also allowed us to welcome new, supportive, large shareholders to our register.
- At the same time, we transitioned our listing to the NXT Market – we are focused on providing ongoing, transparent benchmarks, in the form of Key Operating Milestones which are provided under the NXT Market Rules. In time, we believe that the NXT Market's other features of research and market making will benefit all shareholders.
- In January, we consolidated our share base, giving all holders one new share for every 20 shares held previously. This was not just done for “optical” reasons – it assists liquidity and makes the Plan we are launching today even more effective.

Conclusion

The Board has implemented the Plan because it believes it is in the interest of all shareholders to provide an easy way for smaller shareholders to sell or to enlarge their holdings.

Although Snakk will cover the costs of the Plan, the Plan otherwise does not draw on Snakk's capital. However, the Plan will reduce the company's administrative costs going forwards, as well as providing a more condensed share register, providing benefits to the company as it looks for further growth opportunities.

If you are eligible, I encourage you to participate in the Share Sale Plan. If you are not eligible, I would also encourage you to take the chance to buy more shares.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James', with a large, stylized initial 'J'.

Peter James
Independent Chair

SHARE SALE PLAN DETAILS

The Share Sale Plan (the “Plan”) is open to shareholders of 1,000 ordinary shares (“Shares”) or less, this level being defined as the “Participation Limit”. The Plan gives eligible shareholders the opportunity to participate in the Plan as follows:

- if you hold 1,000 ordinary shares (“Shares”) or less on the record date of 25 February 2016, you can elect to have Snakk arrange the sale of all of your Shares on your behalf and meet all brokerage costs; or
- you can request to buy any number of additional Shares up to a maximum of 10,000 Shares, as long as your holding on conclusion of the Plan will be at least 500 Shares.

Snakk is paying all brokerage for Shares sold or purchased under the Plan.

Where is the Plan Described?

The terms of the Share Sale Plan are contained in this letter (the “Letter”) as well as the accompanying Share Sale Plan Document (the “Plan Document”). Also attached is your personalised Participation Notice (the “Participation Notice”), which outlines your entitlement to participate in the Plan. You are encouraged to read all of these documents.

What is the Price of Shares under the Plan?

Sellers under the Plan will receive the “Final Price” per Share, which will not be less than \$0.84 per Share, being the Volume Weighted Average Price (“VWAP”) of Shares on the NXT Market over the last 30 trading days (adjusted for the share consolidation which took effect on 27 January 2016).

The Final Price will be determined by Snakk and the Lead Manager based upon the number of Shares to be sold and the demand for those Shares from institutions, other wholesale investors and Snakk shareholders but will not be lower than \$0.84.

The proceeds you may receive from the sale of your Shares will be affected by, but may differ from, the market price of Shares on the NXT Market at the time of sale. You can find the current market price of Shares traded on the NXT Market at www.nxt.co.nz.

Purchasers will pay the same price per Share as sellers receive.

Do I Have to Participate in the Plan?

Participation in the Plan is voluntary – if you wish to keep your Shares, you do not need to do anything. You can choose to sell Shares directly at any time through a broker. However, you should bear in mind that it can be relatively

expensive to sell small parcels of Shares and, under the Plan, Snakk will cover these costs.

How do I participate in the Plan?

You can participate in the Plan by making your election online at www.snakkshareplan.com or by completing and returning your enclosed Participation Notice.

If you have any questions about what to do in relation to the Plan, please consult your broker or financial, investment or other financial advisor.

Key Dates

Record Date	(the date on which your eligibility to participate in the Plan was determined)	25/2/2016
Date of Offer	(the date on which this offer is made)	29/2/2016
Closing Date	(the last date on which your participation election will be accepted)	23/3/2016
Plan Result Announcement	(the date on which Snakk will disclose the outcome of the Plan and the price of shares purchased and sold)	29/3/2016
Settlement Date	(the date on which shares purchased under the Plan will be settled and title transferred)	1/4/2016
Plan Payment Date	(last date by which sellers under the Plan will receive the proceeds of the sale)	8/4/2016

Minimum Holding

For the purposes of Snakk's constitution, this letter is also a formal notice that, if you currently hold less than a Minimum Holding, Snakk will arrange for the compulsory sale of your Shares under the Plan if you still hold less than a Minimum Holding at execution of the bookbuild under the Plan.

Sales will be made in accordance with the Snakk's constitution and the Plan Document, provided that in applying those clauses to the compulsory sale of Shares, "Participating Sale Shares" shall refer to all of the Shares you hold at the time of sale and references to the "Plan" shall refer to the compulsory sale of Shares. No further notice of sale will be given by Snakk and your Shares will be sold without the need for any action on your part.

The size of a minimum holding depends on the price of Snakk's Shares on the NXT Market and may change from time to time. The size of a minimum holding as at the date of this letter is 500 Shares.