

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