

Attention: The Manager, Listings Department

Company: ASX

Fax number: 1300 135 638

From: K2 Asset Management Ltd

Date: 16/05/17

Subject: Notice of change of interests of substantial holder (Form 604)

Number of pages (inc. cover): 4



Dear Sir/Madam,

Pursuant to Section 671B of the Corporations Act, K2 Asset Management Ltd discloses a change to a substantial holding in Ziptel Limited (**Company**). The change to substantial holding occurred on 1 May 2017 as a result of a share issue by the Company which diluted K2 Asset Management Ltd's interest. K2 Asset Management Ltd became aware of this share issue and resulting dilution on 15 May 2017.

The enclosed ASIC Form 604 discloses all required details.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Hollie Wight', written over a horizontal line.

Hollie Wight
Director
K2 Asset Management Ltd

CC: Loren Jones, Company Secretary, Ziptel Limited

Fax: 08 9315 2233

Form 604

Corporations Act

Section 671B

Notice of change of interests of substantial holderTo Company Name/Scheme Ziptel Limited**1. Details of substantial holder (1)**Name K2 Asset Management LtdABN (if applicable) 95 085 445 094There was a change in the interests of the substantial holder on 01/05/17The previous notice was given to the company or scheme on 24/11/15The previous notice was dated 24/11/15**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	11,250,974	13.67%^	10,930,974	12.17%*

^Based on issued capital of 82,307,688 fully paid ordinary shares

*Based on issued capital of 89,840,339 fully paid ordinary shares

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
18/12/15	K2 Asset Management Ltd	Dilution of interest due to the issue of 35,833 shares to other parties	Nil	N/A	N/A
19/02/16	K2 Asset Management Ltd	Dilution of interest due to the issue of 15,000 shares to other parties	Nil	N/A	N/A
18/03/16	K2 Asset Management Ltd	Dilution of interest due to the issue of 1,433,333 shares to other parties	Nil	N/A	N/A
27/06/16	K2 Asset Management Ltd	Purchase/(Sales)	(\$5,071.95)	(35,000)	(35,000)
04/07/16	K2 Asset Management Ltd	Purchase/(Sales)	(\$3,747.75)	(25,000)	(25,000)
07/07/16	K2 Asset Management Ltd	Dilution of interest due to the issue of 1,260,000 shares to other parties	Nil	N/A	N/A
29/07/16	K2 Asset Management Ltd	Dilution of interest due to the issue of 750,000 shares to other parties	Nil	N/A	N/A
28/12/16	K2 Asset Management Ltd	Dilution of interest due to the issue of 968,624 shares to other parties	Nil	N/A	N/A
01/05/17	K2 Asset Management Ltd	Dilution of interest due to the issue of 3,069,861 shares to other parties. K2 Asset Management Ltd became aware of this dilution on 15 May 2017.	Nil	N/A	N/A

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08/05/17	K2 Asset Management Ltd	Purchase/(Sales)	(\$6,012.73)	(200,000)	(200,000)
16/05/17	K2 Asset Management Ltd	Purchase/(Sales)	(\$1,855.91)	(60,000)	(60,000)
Total			(\$16,688.34)	(320,000)	(320,000)

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
K2 Asset Management Ltd	HSBC Custodian Nominees (Australia) Limited	HSBC Custodian Nominees (Australia) Limited	Power to (or to control) exercise vote and/or dispose of the securities as discretionary investment managers or advisers of superannuation trusts, managed investment schemes and investment management agreements.	10,930,974	10,930,974

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN (if applicable)	Nature of association
Not applicable	

6. Addresses

The addresses of persons named in this form are as follows:

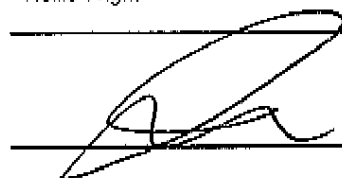
Name	Address
K2 Asset Management Ltd	Level 32, 101 Collins Street, Melbourne, Victoria, 3000

Signature

print name Hollie Wight

capacity Director

sign here



date 16 / 05 / 17

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
 - (2) See the definition of 'associate' in section 9 of the *Corporations Act*.
 - (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the *Corporations Act*.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of 'relevant agreement' in section 9 of the *Corporations Act*.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
 - (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write 'unknown'.
 - (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.