CONNEXION

> Connexion Media Limited. ABN 68 004 240 313

3 February 2015

Dear Shareholder,

CONNEXION MEDIA LIMITED
Notice of Non-Renounceable Rights Issue to Shareholders

We are writing to you as the registered holder of shares in Connexion Media Limited (ASX:CXZ) (**Company**) as at today's date.

As previously announced to ASX, the Company is undertaking a pro rata non-renounceable offer of listed options to shareholders (**Offer**). The Offer is on the basis of 2 new listed options (**New Option**) for every 3 shares held by shareholders of the Company as at 5.00pm EDST Friday, 6 February 2015 (**Record Date**), at an issue price of $0.015 per New Option to raise up to a maximum of approximately $821,198 (before costs) (**Rights Issue**).

Each New Option will be exercisable at 20 cents at any time before 5.00pm on 28 February 2017.

The Company us making the offer available to eligible shareholders (**Eligible Shareholders**), being persons who are registered as shareholders of the Company on the Record Date and have a registered address in Australia or New Zealand.

The Rights Issue is fully underwritten by PAC Partners Pty Ltd.

A prospectus (**Prospectus**) in relation to the Rights Issue has been lodged with ASIC and ASX and is available for information on the ASX website and the Company's website www.connexionmedia.com.au.

Level 17, 499 St Kilda Road, Melbourne VIC 3004, Australia
www.connexionmedia.com.au

An indicative timetable for the Rights Issue is as follows:

Event	**Date**
Announcement of the Offer, lodgement of the Appendix 3B with the ASX and the Prospectus with ASIC (and a copy to the ASX)	2 February 2015
Notice sent to shareholders containing the information required by Appendix 3B.	3 February 2015
"Ex" date (Existing Shares quoted on an "ex" basis)	4 February 2015
Record date to identify security holders entitled to participate in the Offer (**Record Date**)	6 February 2015
Prospectus and personalised entitlement and acceptance form despatched to eligible Shareholders (**Opening Date**) and announcement that this has occurred	11 February 2015
Opening Date	11 February 2015
Last day to extend the Offer	24 February 2015
Offer closes	5:00pm (AEDT) on 27 February 2015
New Share quoted on a deferred settlement basis	2 March 2015
Company notifies ASX of under subscriptions	4 March 2015
Issue date	6 March 2015

**The dates are indicative only. Subject to the Listing Rules, the Directors may vary the dates without prior notice.*

The intended use of proceeds from the Rights Issue is as follows:

Details	$
Flex service development and commercialisation	682,500
Costs of the Offer *	123,696
Working capital	15,002
Total	**$821,198**

** This is a provision for the estimated costs of the Offer and if this amount increases or decreases the funds available for working capital will change correspondingly.*

The capital structure on completion of the Rights Issue will be as follows:

Shares	**Number**
Shares on issue at the date of this Prospectus	82,119,770
Shares to be issued under the Underwriter Offer	2,500,000
Shares on issue on completion of the Underwriter Offer	**84,619,770**

Options	**Number**
Options on issue at the date of this Prospectus	0
New Options issued under the Offer expiring 28 February 2017 exercisable at $0.20 each	54,746,513
Options on issue on completion of the Offer	**54,746,513**

It should be noted that if the New Options issued pursuant to the Offer are exercised on or before 1 January 2016, the holder will be entitled to receive a Piggy Back Option for each New Option exercised. Assuming all New Options are exercised by this date, the Company will issue a total of 54,746,513 Piggy Back Options.

The Prospectus includes details of the Offer and the risks associated with investing in the Company and it is recommended that you read it carefully and, if you are interested in participating in the Offer, seek independent professional advice.

Yours sincerely,

George Parthimos

Managing Director