

SPIRIT TELECOM LIMITED

ACN 089 224 402

CLEANSING PROSPECTUS

For the offer of 83,407,369 Shares in the capital of the Company at an issue price of \$0.027 per Share to raise up to \$2.25Million (before expenses).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

Spirit Telecom Limited (Spirit) is a disclosing entity listed on the Australian Securities Exchange (ASX), and this Prospectus is issued under Section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by Spirit. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in Spirit.

Spirit is offering up to 83,407,369 of its fully paid ordinary shares (Shares) to Australian investors by invitation. This Prospectus does not constitute an offer of Shares to any other person, or to the public.

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CORPORATE DIRECTORY

Directors

Mr James Joughin
(Non-Executive Chairman)

Mr Geoff Neate
(Managing Director)

Mr Terence Gray
(Non-Executive Director)

Company Secretary

Ms Melanie Leydin

Registered Office

Level 4
100 Albert Road
South Melbourne VIC 3205

Telephone: 1300 007 001
Facsimile: 1300 887 813

Principal Place of Business

Level 2
240 Chapel Street
Prahran VIC 3181

Telephone: 1300 007 001
Facsimile: 1300 887 813

IMPORTANT INFORMATION

This Prospectus is to provide disclosure only in connection with an offer of Shares to investors to be identified and invited by the Directors.

This Prospectus is dated 9th December 2016. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Comprehensive information in relation to Spirit and the Shares offered under this Prospectus is available in documents released on the ASX Market Announcements Platform under the Company's continuous disclosure obligations under the ASX Listing Rules and the Corporations Act including Spirit's most recent Quarterly Activities report for the quarter ended 30 September 2016.

No exposure period

The Company is listed on ASX and its Shares are quoted on ASX. Accordingly, no exposure period applies to this Prospectus under the Corporations Act.

Foreign jurisdictions

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

INTERPRETATION AND TERMINOLOGY

Definitions of certain terms used in this Prospectus appear in the Glossary below.

All references to time in this Prospectus are to Melbourne, Victoria time.

Unless otherwise stated, references to currency in this Prospectus are references to Australian dollars.

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691), or the securities market on which it operates as the context requires.

ASX Listing Rules means the official rules of the ASX.

Closing Date means 22nd December 2016, subject to extension at the discretion of the Company.

Company or **Spirit** means Spirit Telecom Limited (ACN 089 224 402).

Constitution means the constitution of Spirit.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Placement has the meaning given in Section 1.3.

Placement Shares has the meaning given in Section 1.3.

Prospectus means this prospectus, as lodged with ASIC.

Shares means fully paid ordinary shares in the Company.

1. DETAILS OF THE OFFER

1.1 The Offer

The Company is making an offer of 83,407,369 Shares to an investor or investors identified by the Directors at an issue price of \$0.027 per Share to raise \$2.25 Million (before expenses). The Offer is open for acceptance from 9:00 am (Melbourne time) 9th December 2016 and closes 5:00 pm 22nd December 2016. The Directors may extend the Offer in their discretion. The Offer is made to investors to be identified and invited by the Directors only and may not be assigned or transferred to any other party.

There is no minimum subscription amount for the Offer.

The Offer is not underwritten.

In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are summarised in detail in Section 2.2.

1.2 Purpose of this Prospectus

The Company is seeking to raise only a nominal amount of \$2.25 Million (before expenses) under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The Company is not currently able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its Shares having been suspended from trading on ASX for more than 5 trading days within the last 12 months.

Accordingly, the primary purpose of this Prospectus is for the purpose of section 708A(11) of the Corporations Act to remove any on-sale restrictions that may affect Shares that may be issued by the Company prior to the Closing Date, including the Shares to be issued under the Placement as detailed in Section 1.3

1.3 The Proposed Placement

As announced to ASX on 8th December 2016, Spirit has been conducting a process of reviewing acquisition opportunities to assist in the ongoing growth and increasing shareholder value. To that end, Spirit has undertaken a placement of Shares to a number of institutional, sophisticated and professional investors (**Placement**) and as at the date of this Prospectus, has received applications for approximately 83,407,369 Shares at an issue price of \$0.027 per Share from such investors to raise approximately \$2.25 million (**Placement Shares**).

The Placement Shares are being issued for the purpose of providing investing capital to acquire the company of Phone Name Marketing Australia Pty Ltd (**Phone Names**) and Inbound Telecommunications Unit Trust.

Spirit intends to issue the Placement Shares during the offer period for the Offer, before the Closing Date. As a result the Placement Shares will not be subject to any on-sale restrictions in Australia and will be freely tradeable on ASX from the date of issue, in accordance with section 708A(11) of the Corporations Act.

1.4 -Effect of the Offer

The principal direct effects of the Offer, if successful, will be that the number of Shares on issue will increase by 83,407,369.

The issue of Shares under this Prospectus will allow the acquisition of Phone Names.

Capital Structure

The capital structure of the Company following completion of the Offer will be as follows:

Security	On issue before the Offer, Placement and ST1 Share issue	On issue after the Offer, Placement and ST1 Share issue
Shares	836,844,216	920,251,585
Listed Options	223,272,153	223,272,153
Unlisted Options	13,152,174	13,152,174
Unlisted Performance Rights	12,850,000	12,850,000

1.5 Use of Proceeds

Spirit intends to use the net proceeds received from the Offer to finalise the acquisition of Phone Names. The expenses of the Offer will be met from the Company's existing cash reserves.

1.6 Applications and application money

Applications for Shares can only be made by investors at the invitation of the Company and must be made using an Application Form in a form acceptable to the Directors. The Directors reserve the right to issue Shares under the Offer, or to not issue Shares, at their absolute discretion. The Directors reserve the right to reject any application or to allot any applicant fewer Shares than the number applied for.

Payment in full at \$.027 per Share (**Application Money**) must be paid upon application.

Any Application Money received before Shares are issued will be held in a special purpose account for the purpose of depositing Application Money. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application monies will be for the benefit of the Company.

1.7 Dividend policy on Offer Shares

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

2. INFORMATION ON SPIRIT

2.1 Overview

Spirit provides superfast internet services to a range of residential and commercial buildings in Sydney, Melbourne and Brisbane. Within these buildings, Spirit has significant opportunity to increase penetration to individual users thereby increasing the value to it of each 'expanded' building.

Spirit commenced operation in 2005 as a reseller of telecommunication products and related services to a specific niche of the small business market, defined by Spirit as companies with less than 100 employees.

During these formative years Spirit grew confidently reselling voice, Internet and mobile based services. Such growth saw Spirit recognised as a BRW Fast Starter in 2009 and three consecutive years in BRW's Fast 100 companies from 2009-2011. During this period Spirit developed a joint venture company called Telko. This was sold to the JV partners in 2011.

In 2012 Spirit made a strategically focused restructure by acquiring ISP Voxcom and began to evolve the business to its current operating model which is marketing Superfast Internet access and telephony services, by utilising the infrastructure of key carriers and cloud service providers. Voxcom provides Spirit with its ISP architecture, in the form of a Layer 2 network.¹ This has allowed Spirit to improve its gross margin, work more strategically with suppliers and provide scale that has enabled a further acquisition of 'My Telecom', of which the migration to the Voxcom/Spirit network was recently completed. Spirit listed on the ASX in June 2016.

Spirit targets customers in the high rise residential area, SME businesses, student accommodation and communities.

Further information can be found in Spirit's recent ASX announcements.

2.2 Risk factors

There are risks which could have a material adverse impact on the Company's operating and financial performance and the price or value of its Shares after the Proposed Placement of Shares are issued.

This Section describes some of the potential risks associated with the Spirit business and the industry in which it operates, and the risks associated with an investment in Shares which may have a material adverse impact on the financial performance of the Company, and the market price of the Shares, should they arise.

It should be noted that the description of risks is not intended to be an exhaustive list of the risk factors to which the Company is or may be exposed. There is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

Spirit is subject to a number of risks, both specific to Spirit and of a general nature, which may either individually or in combination adversely affect the future operating and financial performance of Spirit, its investment returns and the value of its Shares.

Risk factors may affect the financial performance, cash flows and growth prospects of Spirit as well as the outcome of an investment in Spirit as a consequence.

Investors should note that the occurrence or consequences of some of the risks described in this Section 2.3 are partially or completely outside the control of Spirit and its Directors.

The Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which it can effectively manage them.

¹ Layer 2 network refers to the OSI model of computer networking and enables the transfer of data between multiple (carrier) networks

There can be no guarantee that Spirit will achieve its stated objectives or that any forward looking statement or forecasts will eventuate.

2.3 Specific risks

A number of specific risk factors that may impact the future performance of the Company are set out below and investors should note that this list is not exhaustive.

2.4 Regulatory compliance

In November 2014 the ACCC inquired whether Spirit's supply of superfast broadband services to residential and some small business customers complied with Parts 7 & 8 of the Telecommunications Act (Cth.) 1997. Spirit believed it is not in breach and sought a Ministerial exemption. Although the Minister considered that Parts 7 & 8 of the Telecommunications Act 1997 (Cth.) did not apply to Spirit's activity and informed the Australian Competition and Consumer Commission (ACCC) that an exemption was unnecessary, the Commission has not closed its inquiries. Therefore, in order to obtain regulatory certainty, Spirit has submitted a further application for Ministerial exemption taking into account any ACCC view. If granted an exemption may require some form of wholesale supply as a condition.

In June 2016 Spirit became a licensed carrier and similar provisions of the Carrier License Conditions (Networks Supplying Superfast Carriage Services to Residential Customers) Declaration 2014 could require Spirit to provide functionally separated wholesale superfast broadband services. For similar reasons as in relation to Parts 7 & 8, Spirit believes is not captured by these regulations but has elected to offer functionally separated wholesale services.

In July 2016 ACCC declared Superfast Broadband Access Services under the access provisions of Part XIC of the Competition and Consumer and Act 2010 (Cth). Presently Spirit and other smaller scale providers are exempt from those obligations and the ACCC is considering whether to continue that exemption permanently. If the ACCC does not, Spirit will be required to provide wholesale access at some or all of its network locations.

If Spirit is not granted an exemption from Parts 7 & 8 of the Telecommunications Act (Cth.) 1997 by the Minister, and the ACCC –

- decided to restrain and/or penalise Spirit's relevant activity, and/or
- pursued punitive penalties rather than an alternative resolution under its enforcement policy,

Spirit may have to litigate successfully any ACCC view that Spirit's relevant activities are captured by Parts 7 & 8 of the Act in order to avoid the risk that any potential penalties may be set an amount that could exceed its capacity to remain solvent or materially impact its profitability. However, Spirit has maintained constructive and cordial dialogue with the Commission and, if such circumstances set out above did materialise, Spirit would pursue a negotiated outcome regarding wholesale access or any other requirements. Legislative and regulatory review to provide certainty in such matters was impacted by the 2016 election.

ACCC's inquiries relate to Superfast Internet in buildings that were made Superfast after 1 January 2011. Superfast Internet is defined in the Telecommunications Act 1997 (Cth.) as having download speed greater than 25Mbps. Only Spirit customers in buildings that were made superfast after 1 January 2011 and have download speeds greater than 25Mbps would be impacted if there was regulatory restraint. As at 30 June 2016, such customers represented approximately 7% of Spirit's revenue. Spirit would suffer a loss of approximately 7% of its revenues if it were required to stop providing Superfast Internet to those customers

2.5 Management, technology, third party service provider reliance, competition and development timeframes

One of Spirit's key strengths is its astute use of the latest telecommunications technology. However technical advantages in the information and communications technology industry may be short lived.

Accordingly, the Company's success will depend, in part, on its ability to manage and expand Spirit's products and grow its business' user base and therefore generate revenue in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure or delays in doing so may adversely impact the success of the Company.

2.6 Market penetration and usability of Spirit's products depend upon various factors outside the control of the Company

The Company will be dependent on the ability of Spirit's products to operate effectively. However, the Company cannot control the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any changes in such platforms, operating systems or devices that adversely affect the functionality of Spirit's products or give preferential treatment to competitive products could adversely affect usage of Spirit's products.

2.7 Reliance on key personnel

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

2.8 Need to attract and retain skilled staff

The Company's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel. A failure to do so may have an adverse effect on the operations and profitability of the Company's business.

2.9 Maintenance of key business partner relationships

The Company will rely on relationships with key business partners to enable it to continue to deliver Spirit's products. A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Company's financial position.

Spirit's services are sourced from a network of third parties. Loss or interruption to this supply may result in increased service sourcing costs. Increased costs of services may negatively impact Spirit's profit margins.

2.10 Reliance on new products

The Company's ability to grow Spirit's products' user base and generate revenue will depend in part on its ability to create successful new products. The Company may introduce significant changes to existing products or develop and introduce new and unproven products, including technologies with which we have little or no prior development or operating experience. If the new or enhanced products fail to attract users, the Company may fail to generate sufficient revenue or operating profit to justify its investments, and accordingly operating results could be adversely affected.

2.11 Management of growth

There is a risk that the Company will not be able to manage rapid growth of the business. The capacity of the Company to properly implement and manage business growth may affect the Company's financial performance. This may result in the share price decreasing to a price at which is less than the issue price of the Shares under the Prospectus

2.12 Brand establishment and maintenance

The Company believes that establishing and maintaining Spirit's brand in the telecommunications industry is important to growing its proposed user base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if users do not have a positive experience using platforms, devices or operating

systems that provide access to Spirit's products. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

2.13 The Company will rely on third party providers and Internet search engines (amongst other facilities) to direct customers to Spirit's products

Should the Spirit brand or its products fail to attract a high level of Internet search ranking, direction of users or potential new customers to its products it could be limited and its business and operating results could be adversely affected. The Company's search result rankings are outside of its control and competitors' search engine procedures may result in their websites receiving a higher search result ranking. Reduced numbers of potential users directed to Spirit's products could adversely affect its business and operating results.

2.14 Customer service

The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to service requests by customers. Poor customer service experiences may result in the Company losing key customer service personnel or fails to provide adequate training and resources for customer service personnel. Poor experiences may result in adverse publicity, litigation, regulatory enquiries a reduction in the use of the Company's products or services, which may negatively affect the Company's revenues.

2.15 Competition

The Company will compete with other businesses and companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

2.16 Changes in technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business.

2.17 Data loss, theft or corruption

Spirit stores data with a variety of third party service providers and cloud computing service providers. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data.

Although Spirit has strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In the event of a security breach or loss, theft or corruption of data, it is likely that Spirit's revenues and profitability would be negatively affected.

2.18 Security breaches

If Spirit's security measures are breached, or if its products are subject to cyber-attacks that restrict User access to its products, its products may be perceived as less secure than competitors and users may stop using Spirit's products.

2.19 Insurance

The Company will maintain insurance where it is considered appropriate for its needs. However, the Company will not be insured against all risks, either because appropriate cover is not available or because the directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs losses or liabilities for which it is uninsured, the value of the Company's assets may be at risk.

2.20 Liquidity and realisation risk

There can be no guarantee an active market in the shares or that the price of the Shares will increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the shares.

2.21 Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back Spirit branded product development as the case may be.

2.22 Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

2.23 If the Company's goodwill or intangible assets become impaired, it may be required to record a significant charge to earnings

Under Generally Accepted Accounting Principles, the Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually.

2.24 Finance risks

There is a risk that one or both facilities may not be renewed for a future period or periods and there is a risk that the Company cannot replace the facilities on acceptable terms.

2.25 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

2.26 General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and securities price may be affected by these factors, which are beyond the Company's control. The Directors make no forecast in regard to:

- The future demand of Spirit's products and services;
- The level of future spending on telecommunications services in Australia;
- General financial issues which may affect policies, exchange rates, inflation and interest rates; and
- Deterioration in economic conditions, possibly leading to reductions in spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance.
- The strength of the equity and share markets in Australia internationally.

- Financial failure or default by any entity in which the Company may become involved in a contractual relationship; and
- Industrial disputes in Australia and overseas.

2.27 Changes in legislation and government regulation

The Company may be affected by changes to government policies and legislation, including, but not limited to, those relating to the telecommunications, defence and homeland security sectors and taxation.

Specifically, the Australian government has announced significant changes to the regulatory landscape of the telecommunications sector with the creation of the NBN. Given the revisions to the Telecommunications Act 1997 (Cth), specifically Parts 7 and 8 and the broad interpretations of numerous sections of the Telecommunications Act, parts of Spirit's service offering may be subject to regulatory uncertainty until certain aspects of the Act are appropriately ruled or tested. In the event that any parts of Spirit's business are deemed not to comply with legislation or relevant regulatory policy in the telecommunications sector, this will have a detrimental impact on Spirit's business, and in turn, this could have a negative impact on the value of the Shares.

2.28 Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of Shares.

2.29 Combination of risks

The Company may be subject to a combination of risks, including any of the risks outlined in this Section, which could affect the performance valuation, financial performance and prospects of the Company.

2.30 Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

2.31 Long term investment

Investors are strongly advised to regard an investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

2.32 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the Shares.

3. ADDITIONAL INFORMATION

3.1 Description of Shares

The rights attaching to Shares are detailed in the Constitution, which must be read together with the Corporations Act and ASX Listing Rules. The following is a summary of the material provisions of the Constitution and the rights and restrictions attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities attaching to Shares. A copy of the Constitution is available upon request.

General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him/her, or in respect of which he/she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

3.2 Form of Securities

Spirit participates in CHESS. Shares that are traded on ASX, including Shares to be issued under this Offer, will be settled via CHESS and are not held in certificated form.

3.3 Directors' Interests

The following table sets out the relevant interests of each of the Directors of Spirit in the Shares and other securities of Spirit as of the date of this Prospectus:

<u>Director</u>	<u>Number of shares</u>	<u>Number of Options over issued Shares</u>	<u>Number of Performance rights over issued Shares</u>
James Joughin	5,199,276	6,250,000	-
Geoff Neate	166,205,900	53,493,929	3,850,000
Terry Gray	8,313,377	7,063,419	-

No amount has been paid or agreed to be paid, and no benefit has been given or agreed to be given, to any Director in connection with the Offer of Shares under this Prospectus, nor in the formation or promotion of the Company except as disclosed elsewhere in this Prospectus or in disclosures made to ASX. In particular, remuneration paid to directors in respect of the financial year ended 30 June 2016 is set out in the remuneration report in the Company's 2016 Annual Report lodged with the ASX on 29 September 2016. A copy of that document is available free of charge upon request.

3.4 Quotation of Shares

An application for quotation of the Shares issued under the Offer will be made to the ASX upon completion of the Offer.

3.5 Available Information

Spirit is a disclosing entity for the purposes of the Corporations Act and has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses for continuously quoted securities. This Prospectus is intended to be read in conjunction with information previously publicly disclosed by Spirit.

As a disclosing entity, Spirit is subject to regular reporting and disclosure obligations. As a listed company, Spirit is subject to the ASX Listing Rules which require immediate disclosure to the market of any information of which Spirit is aware which a reasonable person might expect to have a material impact on the price of value of its Shares, subject to limited exceptions for certain confidential information.

The ASX maintains detailed records of company announcements for all companies listed on the ASX. Spirit's file is available for inspection at the ASX. Announcements are available from the ASX and some of the more recent announcements can be viewed at www.asx.com.au.

ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at the office of ASIC.

Spirit will provide free of charge to any person who requests it during the application period under this Prospectus, a copy of:

- Spirit's financial statements for the financial year ended 30 June 2016, lodged with the ASX on 29 September 2016; and
- documents released to the ASX pursuant to the Company's continuous disclose obligations under the ASX Listing Rules and the Corporations Act since the lodgement of Spirit's Replacement Prospectus.

The following is a list of such releases since 29 September 2016 that are available:

03/12/2016	Trading Halt
29/11/2016	2016 AGM Presentation - Amended
24/11/2016	Results of Annual General Meeting
24/11/2016	2016 AGM Presentation
28/10/2016	September 2016 Quarterly Activities and Cashflow Reports
25/10/2016	Notice of Annual General Meeting/Proxy Form
21/10/2016	Change in substantial holding
06/10/2016	Section 708A Cleansing Notice and Appendix 3B
04/10/2016	Becoming a substantial holder
29/09/2016	Appendix 4G and Corporate Governance Statement

Requests for documents should be directed to Melanie Leydin, Company Secretary at Spirit (email company.secretary@spirit.com.au). These documents are also available free of charge on Spirit's website: www.spirit.com.au.

3.6 No other material information

Spirit and its Directors are not aware of any new information of the kind specified in Section 713(5) of the Corporations Act as at the date of this Prospectus.

3.7 Interests of advisers

No other person than Terence Gray, named in this Prospectus is providing professional or advisory services in connection with the preparation of this Prospectus or any firm which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company, or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Terence Gray is a consultant to Lodge Corporate Pty Ltd and Lodge Corporate has acted as Lead Manager to the Placement announced on the 8th December 2016.

3.8 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent. Signed for and on behalf of the Company on 9 December 2016.



Geoff Neate

Director

Spirit Telecom Limited