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ASX Announcement

30 October 2014

Australian Securities Exchange Limited

Via e-lodgement – ASX Code ICT

Sale of Small Holdings of Shares

iCollege Limited ("**Company**") (ASX:ICT) is pleased to announce that it has entered into an agreement ("**Agreement**") with Eyeon Investments Pty Ltd (a member of the Copulos Group) ("**Purchaser**") under which the Purchaser has agreed to buy the ordinary shares of shareholders who hold shares in the Company valued at less than a "marketable parcel" (defined in the ASX Listings Rules as a parcel of securities of not less than $500) ("**Small Holding**").

The sale will apply to shareholders with holdings of 3,448 fully paid ordinary shares in the Company or less, based on the Company's closing share price of $0.145 on the record date of 28 October 2014 ("**Record Date**"). In accordance with the Company's Constitution, the purchase price is required to be at least equal to the simple average of the last sale prices of the Company's shares for each of the 10 trading days immediately preceding the date of the Agreement (i.e. from 15 October 2014 to 28 October 2014), which is $0.1375. The Company is pleased to announce that the Purchaser has agreed to pay $0.15 per share, representing a 9.1% premium to the required minimum price.

Under the Agreement, the Company will issue 1,000,000 listed options (ASX:ICTO) to the Purchaser, each with an exercise price of $0.20 and an expiry date of 24 July 2017, in payment of the Purchaser's fees in connection with the Agreement.

The Company has instituted this sale to assist shareholders with Small Holdings to sell their shares without having to use a broker or pay brokerage, and to reduce the administrative costs with maintaining a large number of Small Holdings. The Company will pay for the costs of the sale for shareholders who wish to sell their Small Holdings to the

Purchaser. Any individual taxation consequences arising from the sale of a Small Holding will be the shareholder's responsibility.

Attached is a copy of the letter that will be mailed to shareholders who held a Small Holding on the Record Date. Shareholders can choose to retain their Small Holdings by following the instructions in the letter.

END

For further information contact:

Mr Ross Cotton, Executive Director
iCollege Limited
+61 (0) 419 870 363
ross@icollege.net

30 October 2014

Dear Shareholder

Sale of your small holding of shares in iCollege Limited (ASX:ICT)

iCollege Limited (**Company**) has entered into an agreement (**Agreement**) with Eyeon Investments Pty Ltd (a member of the Copulos Group) (**Purchaser**) under which the Purchaser has agreed to buy the ordinary shares of shareholders who hold shares in the Company valued at less than a "marketable parcel" (defined in the ASX Listings Rules as a parcel of securities of not less than AU$500) (**Small Holding**).

The sale of a Small Holding by the Company is permitted under clause 3 of the Company's Constitution. The Company has initiated the sale to enable persons holding Small Holdings to sell their shares without paying brokerage, and to reduce the Company's administrative costs associated with Small Holdings.

The sale will apply to shareholders with holdings of 3,448 fully paid ordinary shares in the Company or less, based on the Company's closing share price on ASX of $0.145 on 28 October 2014 (**Record Date**). Our records show that you held a Small Holding as at the Record Date.

What should you do?

If you want the Purchaser to buy your Small Holding pursuant to the Agreement, you do not need to do anything. If you still hold a Small Holding and you have not returned the **enclosed** Retention Slip, you will be deemed to have irrevocably appointed the Company as your agent to sell your shares to the Purchaser at a purchase price of $0.15 each.

In accordance with clause 3 of the Company's Constitution, the purchase price is required to be at least equal to the simple average of the last sale prices of the Company's shares for each of the 10 trading days immediately preceding the date of the Agreement (i.e. from 15 October 2014 to 28 October 2014), which is $0.1375. The purchase price of $0.15 per share represents a 9.1% premium to this minimum price.

Payment will be sent to you as soon as practicable following completion of the sale of Small Holdings to the Purchaser.

You are under no obligation to sell your shares to the Purchaser via the process described in this letter. If you **do not** want your Small Holding to be purchased by the Purchaser, please complete the **enclosed** Retention Slip and send it to the Company's share registry, Link Market Services Limited, in accordance with the instructions contained on the form. Retention Slips must be received by the Company's share registry by no later than **5:00pm (WST) on Wednesday, 17 December 2014**. Unless you advise the Company's share registry that you do not wish to sell your shares to the Purchaser by this date, the Company intends to sell your shares through the process described in this letter.

Please note that the Company will not sell your shares in the event that a third party announces a takeover offer for shares in the Company.

Consistent with its continuous disclosure obligations, the Company may release information to the ASX that may be material to a shareholder's decision on whether they wish to retain their Small Holding. This information will, if released, be available on the ASX website at www.asx.com.au (ASX code: ICT) and on the Company's website at www.icollege.net.

Effect on control

There are 570 shareholders with a Small Holding as at the Record Date, which together represents 656,548 shares in the Company. At the date of this letter, the Purchaser does not have a relevant interest in any shares in the Company. An illustration of the effect that the purchase of Small Holdings pursuant to the Agreement will have on the Purchaser's control of the Company is set out in the table below.

Effect on control	Shares held	Voting power
Existing shares held	Nil	0%
Small Holdings acquired by Purchaser:		
• 25% – 164,137 shares	164,137	0.29%
• 50% – 328,274 shares	328,274	0.59%
• 75% – 492,411 shares	492,411	0.88%
• 100% – 656,548 shares	656,548	1.17%

Note: The above table assumes that no additional shares are issued by the Company between the date of this letter and completion of the sale of Small Holdings to the Purchaser pursuant to the Agreement.

General

Any taxation consequences arising from the sale of your Small Holding will be your responsibility. If you require information regarding possible taxation implications for the sale of your Small Holding to the Purchaser, please contact your professional adviser.

Annexure A sets out further details of the proposed sale of Small Holdings to the Purchaser which you should read before making any decision on whether to sell your Small Holding.

If you have any queries about lodging your form or the sale process described in this letter, please contact Chris Watts by telephone +61 8 6380 2555.

Yours sincerely

Chris Watts
Company Secretary
iCollege Limited

Annexure A – Information on sale of Small Holdings

1. What is a "Small Holding"?

A Small Holding is a parcel of shares in the Company valued at less than a "marketable parcel" (defined in the ASX Listing Rules as a parcel of securities valued at not less than AU$500). The share price used to determine a Small Holding is the closing price of shares in the Company on the Record Date, which was $0.145 on 28 October 2014. Accordingly, a Small Holding is a holding of 3,448 shares in the Company or less.

2. What price will I receive for my shares?

The price that you will receive for your shares to be sold to the Purchaser through the Agreement will be $0.15 per share. In accordance with clause 3 of the Company's Constitution, the purchase price is required to be at least equal to the simple average of the last sale prices of the Company's shares for each of the 10 trading days immediately preceding the date of the Agreement (i.e. from 15 October 2014 to 28 October 2014), which is $0.1375. The purchase price of $0.15 per share represents a 9.1% premium to this minimum price.

3. What is the current price of shares?

The closing price of shares in the Company on 28 October 2014 was $0.145. The share price changes frequently and shareholders can follow movements in the Company's share price by searching the Company's ASX code "ICT" on ASX's website at www.asx.com.au.

4. When will the proceeds from the sale of shares be sent to me?

If your shares are sold to the Purchaser via the process described in the letter then payment will be sent to you as soon as practicable following completion of the sale. Payment will be made in Australian dollars by cheque. You will receive a transaction statement confirming the number of shares you sold, the sale price per share and the total sale proceeds due to you. The cheque will be sent to you by post to your address as shown in the share register at the time the payment is made.

5. If I buy more shares, will I retain my holding?

The Company will treat any purchase of additional shares to increase the value of your holding to AU$500 or more (based on the closing price of the Company's shares on the Record Date of $0.145) as an indication that you do not want your shares to be sold to the Purchaser. For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 5.00pm (WST) on Wednesday, 17 December 2014 under the same name and address with the same holder number (SRN or HIN) as set out in the **enclosed** Retention Slip. The minimum number of shares that you are required to be the registered holder of in order to hold a "marketable parcel" is 3,449.

6. What if my shares are held in a CHESS holding?

If your shares remain in a CHESS holding at 5.00pm (WST) on Wednesday, 17 December 2014, the Company may move those shares to an issuer sponsored holding and the shares will be sold to the Purchaser via the process described in this letter.

7. Where can I get further information?

If you have any queries about lodging your form or the sale process described in this letter, please contact the Company Secretary, Chris Watts, by telephone on +61 8 6380 2555.

8. Important notes

Subject to complying with its Constitution and the ASX Listing Rules, the Company reserves the right to change any of the dates referred to in this letter.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares in the Company, nor that the sale to the Purchaser under the Agreement is the best way for you to sell your shares in the Company.

If you are in any doubt about what to do, you should consult your legal, financial, taxation or other professional adviser.

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being a Small Holding. Under these circumstances your shares will not be sold via the process described in this letter.

iCollege Limited
ABN 75 105 012 066

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Facsimile: +61 2 9287 0303
ASX Code: ICT
Website: www.linkmarketservices.com.au

[Date]

SRN/HIN:

Number of Shares held as at the Record Date, 7:00pm (AEST) on 28 October 2014:

Dear Shareholder

IMPORTANT NOTICE – Sale of your iCollege Limited ("iCollege") securities.

I am writing to advise you that iCollege is putting in place a Share sale facility for holders of securities valued at less than $500 as at 28 October 2014.

iCollege is offering this facility to assist holders of unmarketable parcels of securities to sell them without brokerage costs and to reduce the expense to the company of maintaining almost 570 securityholders with unmarketable parcels.

Unless you advise iCollege that you want to retain your securities as set out below, your securities will be sold and you will be sent the sale proceeds.

The Share sale facility is being established in accordance with iCollege's constitution and the ASX Listing Rules.

If you want to sell your securities under the facility – you need take no action.

Your securities will be sold on your behalf after 17 December 2014. You will not need to appoint a broker nor pay the brokerage and handling costs associated with the sale of securities under the facility. Any tax consequences from the sale of your securities will be your responsibility.

If you wish to retain your Shareholding in iCollege you must detach this retention slip and return it to iCollege's Registry, so that it is received no later than 5:00pm (WST) on 17 December 2014.

If you require further information, please contact the iCollege Limited on 08 6380 2555 (within Australia) or + 61 8 6380 2555 (from outside Australia) during the Offer period.

If you are in any doubt, or if you require information regarding possible taxation implications from participating in the facility, please consult your legal, financial or taxation adviser.

Yours sincerely

Company Secretary

RETENTION SLIP

If you wish to retain your Shareholding in iCollege you must detach this retention slip and return it to iCollege's Registry, so that it is received no later than 5:00pm (WST) on 17 December 2014.

The slip can be returned using any of the methods set out on the reverse of this slip.

SRN/HIN:

☑ **DO NOT SELL MY SHARES**

ICT RSS001

MORE INFORMATION ON THE FACILITY

1. When will my securities be sold?

It is intended that any securities sold under the facility will be sold as soon as practicable after 17 December 2014.

2. What is an unmarketable parcel of securities?

A parcel of securities valued at less than $500.

3. What price will I receive for securities sold under the facility?

The price that you will receive for your securities is A$0.15 per share.

4. What is the price of iCollege securities?

The last sale price of iCollege securities on 28 October 2014 was A$0.145. The Share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code “ICT”.

5. When will the proceeds from the sale of securities be sent to me?

If your shares are sold under the facility then payment will be sent to you as soon as practicable following completion of the sale. Payment will be made in Australian dollars by cheque. Link Market Services Limited will notify you, by way of a transaction confirmation statement, of the number of your securities sold and the price and total sale proceeds you have received. The transaction confirmation statement (and cheque if applicable) will be sent by post, at your risk, to your address as shown on the register.

6. If I buy more securities, will I retain my holding?

The Company will treat any purchase of additional shares to increase the total number of shares you hold to 3,449 or more as an indication that you do not want your shares to be sold to the Purchaser. For a purchase to be an effective notification that you wish to retain your securities, any additional securities must be registered by 5:00pm (WST) on 17 December 2014 under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

7. Where can I get further information?

If you require further information, please contact the iCollege Limited on 08 6380 2555 (within Australia) or + 61 8 6380 2555 (from outside Australia) during the Offer period.

8. Important notes

iCollege reserves the right to change any of the dates referred to in this letter by notice to the ASX.

This letter does not constitute advice nor a recommendation to buy, sell or hold securities nor that the facility is the best way to sell iCollege securities.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

RETENTION SLIP

Mailing Address
iCollege Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery
iCollege Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138 ***(Do not use this address for mailing purposes)***

This form must be received by iCollege’s Registry no later than 5:00pm (WST) on 17 December 2014, or your Shares will be sold.