February 22, 2017

Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT

BINDING TERMS SHEET SIGNED TO ACQUIRE THE FRIENDSHIP GAMES

iCollege Ltd ("ICT" or "the Company") (ASX: ICT) has signed a binding term sheet ("**Term Sheet**") with RV Sport Pty Limited ("RV Sport") in relation to the proposed acquisition by the Company ("**Proposed Acquisition**") of 100% of Friendship Games Pty Ltd ("**Friendship Games**") as part of its new Asian engagement strategy. RV Sport and the Friendship Games were founded by Mr. Andrew Vlahov, who was recently appointed as CEO of the Company.

Friendship Games organises the "Friendship Games" event which is a cultural and sporting exchange program between Western Australia and Shanghai, China. The purpose of the Proposed Acquisition is to promote the iCollege brand through the Friendship Games events, and to facilitate practical experience sessions and job placements for those students who enrolled in or graduated from the Diploma of Sport Development at iCollege.

The Company can confirm that the current activities and programs offered by iCollege remain operational and unaffected by the proposed acquisition.

iCollege CEO, Andrew Vlahov commented: "The Friendship Games delivers a significant marketing platform to iCollege and will deliver international educational prospects to its approved courses in 2017 and 2018. Our current operations will be enhanced and our revenue model expanded by this strategic acquisition."

Key Material Terms of the Proposed Acquisition

A summary of the key terms of the Proposed Acquisition is set out below.

- **Purchase price**: The total consideration for the Proposed Acquisition is fully paid ordinary shares in the Company equivalent to a 19.6% voting interest in the securities of the Company immediately after completion (**Consideration Shares**). The Consideration Shares will be issued at completion:
- **Conditions Precedent**: The completion of the Proposed Acquisition is subject to various conditions precedent to be satisfied or waived by 1 April 2017 or other date as agreed between the parties, and will include as a minimum the following:
    - completion of due diligence by the Company on Friendship Games to the satisfaction of the Company;
    - the execution of a binding sale and purchase agreement;
    - the signing of a joint venture agreement between the Buyer (through Friendship Games) and the relevant organisation for a sporting program in Indonesia and/or China;

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- the Company obtaining confirmation from the ASX that it is not being required to re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to ASX Listing Rule 11.1.3;
- the parties entering into an escrow agreement for the Consideration Shares for a period of 12 months; and
- the Company obtaining shareholder approval.

- **Completion**: Completion will occur within five business days of the satisfaction (or waiver) of the Conditions Precedent.

Shareholder Approval

The Company is required to seek approval from its shareholders at a general meeting for the Proposed Acquisition. Although there is no requirement under the Corporations Act to provide an Independent Expert Report, the Board of the Company considers that it is good corporate governance to include a report prepared by an Independent Expert reporting on the fairness and reasonableness of the Proposed Acquisition to the non-associated shareholders. On this basis, ASX has confirmed that approval under ASX Listing Rules Chapter 11 is not required, accordingly at this stage it is not anticipated that the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The shareholders of ICT will receive a notice of meeting setting out the resolution relating to the Proposed Acquisition. A detailed explanatory statement and an independent expert report will accompany the notice of meeting and will be distributed to all shareholders prior to the meeting.

- Ends –

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About iCollege Limited:

iCollege Limited is an ASX-listed training organisation positioned to become one of Australia's leading educators.

iCollege has a demonstrated commitment and clear strategy to provide ethical and sustainable training to Australian students through over 170 accredited and non-accredited courses. This has enabled the Company to achieve high quality student outcomes, including course completion rates of over 70 per cent of students against an industry average of around 35 per cent.