

24th August 2015

ASX Announcement

ETHERSTACK PLC
[ASX:ESK]
("Etherstack" or the "Company")

SETTLEMENT OF US LEGAL ACTION

Etherstack plc advises that a mutually agreed settlement has been reached between Etherstack's wholly owned US subsidiary (Etherstack Inc.) and one of its technology licensees in connection with the previously disclosed commercial dispute, subsequent legal actions and counterclaims. The settlement resolves all claims and counterclaims made against each other.

By mutual agreement, the terms of the settlement are confidential. The settlement does not constitute an admission of wrong doing by either side; rather, it is a resolution of differences in an amicable manner which allows the parties to move forward with their respective businesses. There will be no further press releases or public comment by either party or their attorneys.

The net financial effect of the resolved dispute on the full year 2015, including legal fees will be less than USD \$385,000. The net financial effect on the company during the previous financial year (2014) was USD \$499,000 in legal fees as previously reported in the full year 2014 accounts. The company expects no further costs or charges associated with this matter.

About Etherstack plc (ASX:ESK):

Etherstack is a wireless technology company specialising in licensing mission critical radio technologies to equipment manufacturers and network operators around the globe. With a particular focus in the public safety, defence, utilities, transportation and resource sectors, Etherstack's technology can be found radio communications equipment used in the most demanding situations. The company has R&D facilities in London, Sydney, New York, Yokohama and Berlin.

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