



XSTREAM MEDIA

NEXT GENERATION STREAMING

an Australian Private Company

Company Overview

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1. About XStream Media

XStream Media is a Software Solution company that specializes in Mobile and Video solutions for the media and telecommunications industry.

The company's Video Solutions are designed to significantly improve the efficiency and profitability relationship between the companies, its consumers.

With minimum costs for software integration and operation, XStream Media enables our customers to capitalize on revenues, generating true partnership. This software solution is focused on delivering rich media content (simultaneous combination of audio, video and data streaming) and provides an easy application that integrates perfectly with digital content. Nowadays, existing media businesses are realizing the value of managing and digitizing their assets in order to reduce costs and to generate revenue.

Founded in 2006, XStream Media is a privately held company currently based in Melbourne, Australia. The company is managed by a team of accomplished executives and software engineers with successful tenures in the broadcasting and Telcos industries.

Our Engineers have more than 20 year's commercial experiences in Video and Mobile Solutions, starting from 1999.

XStream Media is commercializing a highly innovative technology for delivering media to personal computers and mobile devices.

XStream Media is the creator of EzyCast Mobile, the world first true mobile multimedia software broadcasting service direct to the consumer.

1.1 Mission

Our work ethic and strategy oriented culture demand that we see your entire business picture, aiming for long-term impact versus focusing on the latest technology trends or our portion of your businesses IT

landscape. We target where our technology and services solutions will fit in to our clients' business years down the road and we focus on how to best utilize services to leverage efficiencies, streamline processes and improve the bottom line.

Our perspective is that the success of your business is the success of our business.

To provide independent and operating system agnostic high-performance, high-quality, real-time networked video solutions for compression, distribution, and playback of audio and video content. To gracefully embrace emerging encoding standards and distribution standards to provide our customers a smooth transition into next generation products media, communications, and entertainment products.

To bring the future of Media Streaming to the world of today.
The Next-Generation Streaming Company.

1.2 Objective

XStream Media objective is to assist our clients create new revenue streams and increase profits by allowing us to reduce development, network and licenses costs, minimize support without sacrificing quality and service.

1.3 Business Overview

XStream Media is engaged in the development and licensing of their Video Solutions software systems.

XStream Media is focused on delivering Video solutions and Video Consultation to the Media industry globally. The XStream Media solutions that are already in development are unique in so much that they provide viewer throughout the world with high quality media viewing experience via either a personal computer, mobile devices (Phones, Android), IP-STB and IPTV devices, therefore providing the world's best agnostic and platform independent media streaming solutions.

The industry refers to the viewing of video on a PC as a “lean forward” experience as generally the viewer is sitting in close proximity to a PC. The viewer of a TV/STB is referred to as a “lean back” experience with the position of a viewer sitting in a lounge room watching a large screen. To date streamed video has failed to capture the largest viewing market being the “lean back” viewer due to the limitations of the existing technology and the fact that these technologies are bound to a PC.

2. Industry Background

2.1 Mobile Media

Mobile Media or else Mobile Device Video Streaming, is a relatively new method of delivering and viewing Video on mobile devices.

Mobile Media services are today being introduced by mobile operators all over the world in form of live broadcast of TV channels as well as on-demand provisioning of stored TV programs adapted for the small screen of a mobile phone.

Already today there are programs and content provided that have been developed, taking the unique characteristics of the mobile channel and usage situations into consideration, to provide a TV-like experience.

XStream Media is your trusted partner to design, develop and deploy a flexible and cost-effective mobile media solution adapted to your own environment.

XStream Media’s Mobile Media solution helps you provide your customers with a unique mobile media experience with high quality video, unlimited coverage and multimedia interactivity.

XStream Media offers you a high quality service and operation, optimized networks and architectures based on 2.5 and 3G networks.

2.2 The IPTV revolution

IPTV, short for “**Internet Protocol Television**”, is a relatively new method of delivering and viewing television programming using an IP network broadband access technology. More than simply a new distribution and playback method, IPTV is poised to create an entirely new mindset about the television experience.

Whereas terrestrial broadcast television supplies the same content sent continuously to all consumers’ homes, IPTV removes the fixed television schedule. Similar to how information on the internet can be downloaded and viewed at any time, IPTV enables television programming to be available whenever each individual consumer demands it. In this way, each household or business can individually create their own custom content and viewing schedule. IPTV also expands the viewing footprint to millions of viewers around the whole world 24 hours a day as opposed to fixed cabled users and customers fitting into programming timeframes set by the T.V Stations or cable T.V. programmers.

XStream Media has designed and built from its unique IP the XStream Media streaming technology platform, which provides its customers, the capability to broadcast through the internet globally high quality video content to Personal Computers, Mobile Devices, IP-STB and IPTV’s.

The growth of broadband penetration and reliability, together with the low-cost, the evolution of integrated home entertainment and computing systems, are driving consumers to seek more sources of diverse media. Gone are the days when people were satisfied with a few channels on their TV.

2.3 Current Activities

XStream Media is currently completing the commercialization of its Mobile Broadcast technology. EzyCast Mobile is in an advanced development stage and will be available for demonstration late 2009.

Subject to the required capital being raised and resources being

allocated as per the proposed schedule, the XStream Media EzyCast Mobile product is subject to unforeseen delays.

2.4 Budgeted expenses

XStream Media

	2006-2009	2009-2011	Total
<u>Overheads</u>			
Professional	75,000	550,000	625,000
Operating	27,150	30,000	57,150
License Fees & equity purchase	10,000	195,000	205,000
Salaries (Commercial Operations)	5,175	190,000	195,175
Total (USD)	117,325	965,000	1.082,325

Note.

The above budget is purely to provide the investor with a guide as to the budgeted total cost for the next two years of development, etc.

3. XStream Media Solutions

3.1 Products

The XStream Media product map (EzyCast Series) provides a high growth market with new and unique products that have been derived from years of experience and development.

All of our products are based on existing industry standards.

EzyCast Series are all efficient, dependable and low-cost solutions with minimal resources and requirements (Windows OS).

All products come with Live and VOD content functionality.

EzyCast Series solutions provide redundant engines for each data streams with live schedulers.

XStream Media's products are applicable to Telcos, content distributors, mobile device manufacturers, enterprises, developers and consumers.

Our products can be used in a range of application models, from Video on Demand (mobile television), video tools, to security monitoring, training and personal media access.

3.1.1 EzyCast Mobile (1rd quarter 2010)

"Media content anywhere, anytime" are just one of the many key phrases which describe and characterize EzyCast Mobile.

The EzyCast Mobile product will easily enable millions of mobile device consumers to broadcast their video content in a TV style viewing experience with incredible video quality, with the ability to provide automated advertising, real-time text and overlays to virtually anywhere in the world.

This software application (Windows 2K/XP/2003/Vista) simplifies streaming Real, Windows, QuickTime and other media types to mobile devices. Broadcast any format of media content.

Enter your Mobile Phone number and click on the 'Start Streaming' button.

EzyCast Mobile will instantly send an SMS and/or MMS message with a hyperlink and a thumbnail picture with a preview, which will start the video streaming.

All the user/viewer needs is a multi-media phone with a Real, Windows, QuickTime or VLC media player, and a data connection for browsing the internet. With the mobile networks recently reducing data rates there has never been a better time to watch video on a mobile devices.

XStream Media EzyCast Mobile is a 3GP, 3GPP and MP4 compliant multimedia solution that ingests, encodes, mixes, edits and broadcasts video and audio to networks. EzyCast Mobile provides uninterrupted video and audio streaming at the best possible quality.

XStream Media EzyCast Mobile is compliant with standards and specifications from 3GP, 3GPP, MP4, and other global standards organizations and technical forums.

3.1.2 EzyCast MuViS (1st quarter 2010)

Clone Video and Audio sources in to multiple Streams, *MuViS (Multiple Virtual Streams)*.

Up until now, you could only use you webcam or capture devices on one service, instance or application at a time. EzyCast MuViS lets you clone your Capture Source and output to multiple services and programs simultaneously in real time! You don't have to choose one single program to Video Call as you can now chat on services such as Skype, Yahoo Messenger, MSN messenger and other at the same time using one source.

MuViS can even simulate a Capture Device even if you don't have one, from a Video Files, a Sequence of images, Flash, URL Streams or even from your desktop screen.

Can easily add Overlays, Texts, and mix other live videos.

3.1.3 EzyCast Click!

Click once and Play.

No need for players, codec's, GUI and skin's anymore.

All in one file.

Live and VOD modes, Remote and Local, Scalable formats.

Archived in any type of Web or FTP Server or packed all in one binary file (exe).

Simple to use, no software installation or plug-ins required, automatically plays on virtually any OS (Windows, GNU/Linux, Mac, BeOS, and more).

Full-screen, High quality, Video that just simply play, fast and simple.

User can select from a list of Audio and Video Codec's, list of Player Controls and a list of Player Themed Skin.

Even add his custom Encoder/Decoder with his custom designed Player Controls (GUI), add Help Instructions and add custom designed Player Theme Skin.

3.1.4 EzyCast Broadcaster (3rd quarter 2010)

The Broadcaster (Transcoder) will convert any video compression format in many compatible streaming formats for broadcasting. They are also Semi-Transcoder procedures (Transrate, Transize, Transcont) that will only convert Video/Audio Rate, Size, and Container, providing more scalable solutions with less resource usage.

Our Broadcaster solution delivers what the consumer wants - quality and reliability. The complete online Streaming Server solution. Just add media. Video and Audio Software with DSP and Pre/Post Processing AV Filters.

EzyCast Broadcaster can output media for multiple destinations in multiple formats, resolutions, bitrates and transport protocols at the same time.

Other Minor Editions of the Broadcaster:

EzyCast Scalable with Smooth video for unreliable/traffic bandwidth (Based on advance SVC H.264),

EzyCast Custom User Define Editions (Wizard Mode, preselect a custom procedure from a list of EzyCast Edition tools.

E.g.: Mobile or MuViS or Click! or Broadcaster or etc...

3.1.5 EzyCast Player (3rd quarter 2010)

URL Stream Player, Multiple Video Overlays with multiple monitor's ability, VideoWall Splitter, Scheduled playlist, Digital Signage, Touch Screen.

3.1.6 EzyCast iGuard

Budget, fully functional Video Surveillance software (DVR), together with SMS, MMS, MVS Alerts (Mobile Video Stream), Phone Call Alerts (with Voice message) and Emails Alerts (image/video attached), remote and local cameras. Video Analytics, Video Motion and Acoustics Detection. Pre-Buffer, Scheduler, PTZ IP Cameras and I/O relay remote controls.

3.1.7 EzyCast iConnect

Conference software that has all the tools.
Data Transport: Chat, Share Data, Attachments, Files.
Data Streams: VOIP, Audio, Video, 3D Mesh.
Data Encryption, Compression and IP accelerated Transfers.
Remote Control: (VNC style) and Source Control.
Application, SDK, IExplore/Firefox (Plug-in) and Mobile versions.

3.1.8 EzyCast SDK (3rd quarter 2009)

The software development kit (SDK) is the perfect choice for the developer that wants to develop low-cost products without sacrificing the quality and reliability.

With low cost licenses fees, management and support.

Quick and easy.

It's a set's of DirectShow filters/COM for many Codec's, Transport protocols, Writers, Readers and transform DSP's.

Also Web and Streaming (RTSP) Servers and more.

3.2 Product User Modes

1. **Auto Mode** (a few clicks Feature),
2. **Wizard Mode** (easy usage, no special knowledge) and
3. **Expert Mode** (video broadcast expert).

3.3 Product Editions

1. **Life** - Product Evaluation, Predefine functions, Small watermark,
2. **Standard** - Single Task, Include SMS Credits, 1 Incident Support,
3. **Power** - Multiple Tasks, Multiple Users,
4. **Ultra** - Multiple Tasks, EzyCast Custom User Define procedure.
5. **Enterprise Desktop** - Yearly subscription
6. **Enterprise Server** - Member subscription
7. **SDK** - To customize and integrate with industry standard applications(DirectShow),
8. **Batch Mode** – CMD Line, Windows Service Mode.

3.4 Product Editions (Based on usage group)

1. **Life** - [Any],
2. **Standard** - [Any, Consumers],
3. **Power** - [Any, Consumers, Media Companies],
4. **Ultra** - [Telcos /TV, Media Companies]
5. **Enterprise Desktop** - [Telcos/TV]
6. **Enterprise Server** - [Telcos /TV]
7. **SDK** - [Telcos /TV, Media Companies],
8. **Batch Mode** - [Any]

4. Technology Standards

XStream Media realizes future technology developments must adhere to the adopted standards within the Media industry to survive. It is pointless creating a new platform for delivery unless time and/or endless financial resources are at your fingertips.

XStream Media's products utilize the Streaming standards as a core engine to deliver its technology.

MPEG and H.26x are the global multimedia standards, delivering professional-quality audio and video streams over a wide range of bandwidths, from cell phone to broadband and beyond.

XStream Media's products can be delivered using codec rate control and data rate for a particular delivery protocol. The encoder can use a single-pass or two-pass variable bit rate (VBR) even for live streaming to maximize quality output or to maximize speed for the fastest possible encode thus minimizing data bandwidth.

4.1 Key product features

- **Platform agnostic playback** – XStream Media products are being designed to work on PC's, Windows 2k / XP/ Vista, IP-STB, IPTV and variations of mobile devices.
- **Low Cost** – XStream Media Products are be more cost effective as the cost saving for the encoding, hosting and server can be dynamically assigned either in batch format or dynamically assigned from a server without human interaction.
Also other cost cutting practices, no need for Network Administration setup, automatic procedure and stand alone tools.
Requires minimal resources, low-cost management and license fees.
- **Stand Alone** – XStream Media Products can be complete independent, contain all the necessary tools to do the job. No Need for Web Servers, Streaming Servers, Port and Router Utilities. Built-in streaming server to reduce cost and simplify deployment.

- **Watch Dog** – XStream Media Products are all equipped with Software Watch Dogs, for more reliable and redundant systems.
- **Schedulers** – To set-up live multiple tasks with multiple playlists.
- **Real-Time Processing** – On-The-Fly Mixing, Editing, DSP, Transcoding.
- **Auto Wizards** – For fast and seamless usage, with multiple user levels.
- **Multicast** – Multiple broadcast Points with Multiple rates/size.
- **Batch mode** – Command Line and XML profiles.
- **Service Mode** - Windows NT Service Mode.
- **Remote Control Access** – Remote configuration, Cluster and management capability.
- **SMS, MMS, MVS, E-Mails** – SMS, MMS, MVS and E-Mail notification alerts, preview thumbs, metadata and info notes.
- **DRM** – Custom Digital Rights Management (Encryption, Watermarks, etc).
- **Multiple Source Types** – To Set-Up when and what procedure to complete.
- **Multiple Output Types** – To Set-Up when and what procedure to complete.

4.2 Key commercial features

- **Scalable-decoupled** – The product has been designed to be scalable and very light decoupled for smooth and reliable operation.
- **QuickTime, Windows, Real, VLC** – Covering more than 79% penetration in the worldwide media player.

- **GUI** – User Friendly with user level expertise (Simple, Advance, Expert, etc), Auto Wizards and “few clicks” features.
- **Global Markets** – Any solution created will have global exposure 24 hours a day to audiences via the internet.
- **Low-Cost** – Requires minimal resources & requirements. Affordable for private and home user/consumers.

5. Business Model

XStream Media's business model is based on generating income from a combination of licensing fees, fees per software activations and recurring monthly revenue paid by large scale corporate clients of XStream Media Technologies (OEM or SDK).

The main business goal of the XStream Media is to initially “achieve global acceptance of the XStream Media Technology as the standard for consumer Mobile Video Streaming”.

6. Markets

6.1 Background

Over the past ten years, media creation and distribution has undergone a revolution. Producing and distributing media content was once a concept only available to professionals. This was mainly due to expensive, complex cameras and editing systems, which required technical skill and years of experience to use. Today, just about anyone

can create video content using inexpensive digital cameras, easy to use editing software and distribution sites like YouTube. The gap between amateurs and professionals has been bridged.

The average home continues to become more digital with each new round of technology development. Consumers add MP3 players, set-top boxes (STBs), personal video recorders (PVRs), TiVo devices, digital cameras, and HDTVs to their cache of digital entertainment devices. Plus, they create wireless home networks to connect their components to each other and to a new generation of multimedia STBs, desktop PCs, and laptop PCs designed for the digital home. The digital home is not just an idea of the future; it's here today. And in many households, the connection to the internet to share pictures, download music and MPEG-4 videos, and stay in touch with family and friends is DSL technology. With H.264/AVC, the next advance for the digital home is IPTV.

6.2 IP Video Services Market Heats Up

IP video, viewable on TVs, STBs, and PCs, is expected to become a major part of any home's entertainment features. According to Multimedia Research Group, Inc. (MRG, Inc.), worldwide IP video services subscriptions are expected to more than quadruple, from under 2 million subscribers in 2004 to over 8 million users in 2006—just two years. This growth indicates a significant trend. And, with market revenue forecasts climbing from approximately \$1 billion U.S. to nearly \$6 billion US in the same time frame it offers a market opportunity for Telcos ready to invest in the future using H.264 enabled IP TV products

6.3 Market size and trends

The mobile TV market is a dynamically evolving convergence of the media, mobile communications, and consumer electronics industries. It consists of a global ecosystem of content providers, service providers and retailers, network operators, and network and device equipment vendors. The mobile TV ecosystem collectively provides an end-to-end, information and entertainment service over wireless networks to consumers in mobile environments. The mobile TV market has

tremendous long-term promise as a next-generation infotainment experience. It will emerge over the next few years to grow to a value of more than \$50 billion by 2013.

Between last October and April, traffic to YouTube.com, whose users post some 35,000 new videos a day for others to watch, grew by more than 2,000%, according to Nielsen/Net Ratings. YouTube.com, (launched in early 2005), is now the 27th most popular site worldwide; ahead of AOL.com (see BW, 4/10/06, **"You Tube:" Way Beyond Home Videos"**) YouTube.com only offer low quality video under windows media player and would be a target once market presence is established. Google Video, launched in beta in January 2005, already boasts a unique audience of 8.6 million. And within one week after Disney's ABC began offering *Desperate Housewives*, *Lost*, and other shows online, traffic to its video-streaming site surged 42%, according to consultancy Hit wise. Of course, some providers, such as Comcast and Time Warner Cable benefit from the Web-TV revolution insofar as they sell high-speed Internet access.

"In the next five years, TV will change more than in the past 50 years," says Ed Grassy, Microsoft TV's director of marketing (see BW Online, 5/10/06 Cable operators are unable to offer extensive video-on demand capabilities through their own networks, which are optimized for one-way broadcasting, satellite

6.4 Potential Users

XStream Media's user base is potentially unlimited. It ranges across the commercial and consumer markets in both developed and emerging regions throughout the world.

Some possible commercial users are listed below

End-Users/ Consumers

100% Untapped Market on Mobile Broadcasters.
Individuals for home end-user/ consumer.

Existing Internet video providers (Media Companies)

Yahoo, BBC, ESPN and more

Product Manufacturers (Developers SDK)

Online IPTV Channels Content Development Event Sponsorship
/Advertising Content Sponsorship / Advertising Research Surveys Brand
Development Media Buying Marketing Strategy / planning

Strategic Partnerships (OEM Bundles)

Hardware Providers, Software Providers, Bandwidth Providers

Content Owners

Online IPTV Channels Content Development Event Sponsorship
/Advertising Content Sponsorship / Advertising Web trends Acquisition
Aggregation Placement Marketing Strategy / planning

Event Organizers

Live event Payout Event Sponsorship /Advertising Content Sponsorship /
Advertising Web trends Acquisition Aggregation Placement

Service Providers (Telcos)

Customer acquisition campaigns Aggregation portal Strategy
implementation / Development
Mobile Phone Providers.

6.5 Target Market Segments

- Mobile Phone and Internet consumers.
- Global branded corporations, for advertising, content generation.
- Large volume customers such as BBC, ESPN, etc.
- Telco's / broadcasters for content distribution.
- Hardware and software partners for OEM Bundle versions.

7. Disclaimer

This document does not propose to be all-inclusive or to contain all the information a prospective investor may desire. Its sole purpose is to assist the recipient in deciding whether they wish to proceed with a further investigation and it is not intended to form the only basis of any investment decision or any decision to purchase any interest in XStream Media ("XSM"). A prospective investor should make his or her own independent enquiries before making a decision to purchase any interest in XSM and seek their own advice.

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