

For personal use only



SKY & SPACE GLOBAL

**Unique Investment Opportunity In A Major
Disruptive Global Telecoms Technology**

March
2016

Disclaimer

Some of the statements appearing in this presentation may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Burleson Energy Limited (“Burleson”) operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Burleson’s control.

Burleson does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this presentation. To the maximum extent permitted by law, none of Burleson, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this presentation. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this presentation reflect views held only as at the date of this presentation.

This presentation is not an offer, invitation or recommendation to subscribe for, or purchase securities by Burleson. Nor does this presentation constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this presentation, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

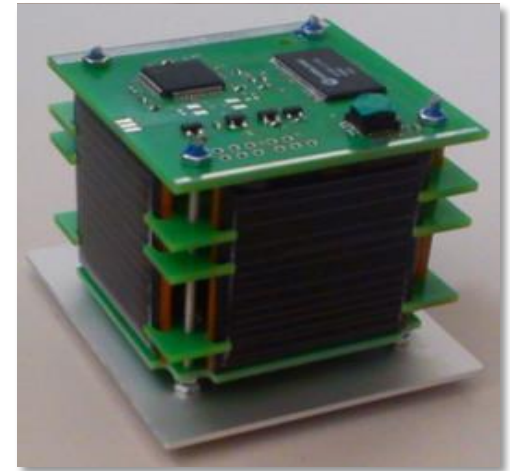
Overview

- Burleson Energy Limited (ASX:BUR, Burleson) is an ASX listed shell with circa \$1.1m in cash
- On December 3 2015, Burleson announced it had entered an agreement to acquire 100% of Sky and Space Global UK (SSG).
- SSG is focused on providing communication solutions to the global satellite market through the use of very sophisticated nano-satellite technology – highly disruptive to the existing conventional satellite platforms
- The Company was founded by highly credentialed and internationally renowned Israeli satellite and aerospace experts
- SSG plans to launch and complete testing of 2-3 nano satellites by mid 2017 to demonstrate a platform for cheaper data, voice and instant messaging services to a target market of 4b people
- In Q1 2016, SSG has executed:
 - a binding contract for the construction of 2-3 planned nano-satellites (launch mid 2017)
 - a binding LOI with an international telco committing to secure all bandwidth SSG produces
 - Negotiations with launch contractors materially advanced, in final tender phase
- The Transaction constitutes a change in nature and scale of activities, hence Burleson will re-comply with Chapters 1 & 2 of the Listing Rules
- As part of the re-compliance process, Burleson will be seeking to raise a minimum of \$4.0m in new equity, will consolidate its shares on a 1:5 basis and will change its name to Sky and Space Global Limited

About Sky and Space Global (SSG)

A highly sophisticated nano-satellite technology company set to revolutionise the existing satellite communications industry with its price disruptive first mover technology

- SSG founders lead the team that designed, assembled and launched Israel's first nano-satellite in 2014 – Duchifat 1
- Duchifat 1 remains in orbit since launch in June 2014 where communications have been monitored by the team over that period
- Nano-satellites (mini satellites) are the new space technology
- SSG plans to offer significantly cheaper platform for voice, data and instant messaging services for the telecommunications and international transport industries
- Strong defensibility with attractive customer offering via reduced costs and providing service currently unavailable



SSG UK Founders - Global Aerospace Leaders

For personal use only



**Mr. Meir Moalem,
CEO & MD**

A jet fighter pilot, with over 20 years of experience in management, R&D and operation of state-of-the-art projects in Space Systems and UAS. Meir is in final stage of his PhD. Meir was awarded the Israel National Security Award in 2009.



**Meidad Pariente,
Founder, CTO & ED**

More than 20 years of satellite and aerospace industry experience. Leading international nano-satellite expert, having led projects in Israel, Europe and the USA.



**Maya Glickman,
COO & ED**

Global industry leader for more than 14 years. Leads satellite mission analysis and mission control software development. Master STK certified.

SSG ASX Proposed Board

Pete Wall – Non-Executive Chairman

Mr Wall is a Partner at Steinepreis Paganin, a Perth law firm, which he joined in 2000. Mr Wall has a wide range of experience in all forms of mergers and acquisitions (including takeovers and schemes of arrangement) and has also advised on numerous successful IPOs and back door listings on the ASX.

Meir Moalem – Managing Director and CEO

A jet fighter pilot, with over 20 years of experience in management, R&D and operation of state-of-the-art projects in Space Systems and UAS. Meir is in final stage of his PhD. Meir was awarded the Israel National Security Award in 2009.

Brett Mitchell – Executive Director, Corporate

Mr Mitchell is a corporate finance executive with over 25 years of experience primarily in the finance, capital markets and resources industries. He has been involved in the founding, financing and management of early stage resources and technology companies.

Maya Glickman- Non-Executive Director

Global industry leader for more than 14 years. Leads satellite mission analysis and mission control software development. Master STK certified.

Yonatan Sharman – Non-Executive Director

Yonatan has over 12 years of experience in business development and entrepreneurship in automotive technology systems, medical equipment and high technology security equipment.

Intellectual property

- **SSG's intellectual property comprises 4 key parts:**
 - Founders extensive industry expertise, project completion and track record of delivery
 - The unique and proprietary design, assembly and launch protocols of the nano-satellites > this is currently being patented
 - Developed software technology enabling the communication between the nano-satellites in constellation and earth to create bandwidth > this is currently being patented
 - The creation of a new unique proprietary communication frequency which will be achieved when the next 2-3 nano-satellites are in orbit > this is to be patented when demonstrated will prove to be extremely valuable

Compelling Investment Proposition

- First mover advantage with disruptive IP technology: nano-satellites are the new paradigm for the global satellite industry
- Proven capabilities, demonstrated with increasing use of nano-satellites and successful management of Duchifat-1 project
- Large and growing global satellite communications market opportunity, forecasted to reach >\$10bn pa by 2021
- Focused commercialisation strategy with high opportunity pipeline established
- Significant positive news flow, with global patent on key IP expected imminently
- Commercialisation and significant value creation expected within 24 months



Key Market Catalysts Driving Opportunity



Existing global communication via satellites is:

1. Expensive
2. Inaccessible to everyday users
3. Requires dedicated transceivers



Demand for bandwidth is continuously growing and not met by supply



Current service pricing denies access to potential customers, not just in 3rd world regions



Over 4 billion people currently without ANY mobile coverage

**SSG will provide affordable voice, data and messaging globally,
To Anyone, Anywhere, Anytime**

Market Opportunity

Global narrow band satellite market

Current market is US\$5bn for mobile satellite comms devices (excluding TV)

Major existing players include Inmarsat, Iridium, Thuraya, Globalstar – high cost offering for retail customers – currently ~\$1.80-2.50/min

Demand significantly growing year/year – Asia, Africa, Latin America

Market forecast to grow > US\$10bn by 2021

SSG Target Markets – Global Players

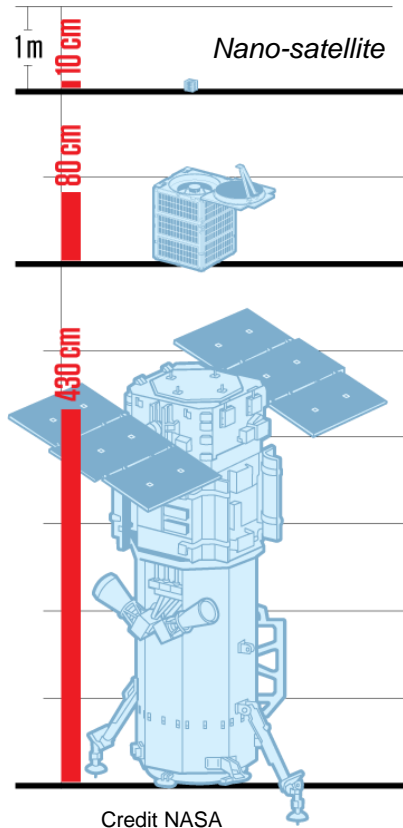
Initial target markets include:

- Aviation, shipping and remote location enterprises
- Existing satellite communication providers
- Mobile satellite customers
- Governments and Space Agency's
- Airlines and FAAs, such as passenger and vehicle communications units

Key geographic focus on:

- Latin American, Asian and African regions with poor coverage
- Disaster and crisis areas solutions

SSG Technology & Offering



Unique Nano-satellite system design

- 'New Space' nano-satellites (between 1-10 kgs)
- Low orbit communication infrastructure and services
- Unique software for orbit selection and network management to:
 - Deploy
 - Maintain orbit control
 - Handle communication code between nano-satellites

Significant cost savings for customers

- Global communication network offering:
 - Voice, data and instant messaging
 - Store-and-forward service at affordable rates
- Affordable service for anyone, anywhere, anytime

Business Model

Creating new communications infrastructure based on nano-satellite technology – the ‘new space technology’

Large barriers to entry – SSG IP developed for a highly complex and sophisticated software system - few people in the world have the expertise to enter this business

Provides cheaper communications infrastructure via a network of low cost, nano-satellites with reduced capital expenditure, launch and operating costs (up to 80% savings vs conventional satellites)

Acceleration to market through use of simple existing and ready to use equipment

Enables technology upgrading capabilities in short time frames

Commercial pilot phase on track for launch of 2-3 satellites in mid 2017 – the cost savings deliver SSG its key market competitive advantage

Embarking on the Commercial Pilot Phase

- **Satellite build and integration (launch ready) Q1 2017**
- **Ground and space segment software development (communication algorithms)**
- **Launch and in-orbit demo with 2-3 nano-satellites in mid 2017:**
 - Point-to-point communication with single nano-satellites to base
 - Point-to-point communications with 2-3 nano-satellites (including inter-satellite communications)
 - Data hand-over between 2-3 nano-satellites
 - Store and forward capability
- **Complete demo and begin initial limited service within 18 months**
- **Full first constellation financing scale up and full service development**

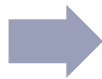
Global Constellation the 3-5 year plan

“To provide affordable service for anyone, anywhere, anytime”



Initial constellation

- Equatorial band coverage
- 150-200 nano-satellites coverage of +/- 15 Deg



Additional constellations

- Full global coverage
- Approx. 1000 nano-satellites

- Sales and revenue model
- Wholesale revenue from direct customer sales
 - Premium customers (global corporates, airline/shipping companies); and,
- Fee for service per bandwidth basis through reseller agreements
 - Retail customers via deals with global telcos, especially attractive in remote or underdeveloped areas, with significant rate reductions

SSG Revenue Opportunity is Significant

- Current commercial rates for satellite phone are circa A\$2.00-2.50 per minute
- SSG will undertake a phased approach to building its constellation and available bandwidth
- At 2-3 nano-satellites (i.e. commercial pilot phase within 18 months), SSG will sell all possible bandwidth following demonstration.
- At 100 nano-satellites (2-3 years), circa 10,000 mhz per year available for sale, plus circa 1B minutes for sale,
 - > This could equate to circa A\$300-500 million per annum at SSG expected market rates
- At full constellation of circa 200 nano-satellites (3-5 years), circa 25,000 - 30,000 mhz, plus circa 2B minutes for sale,
 - > This could equate to circa A\$600 million - 1 billion per annum at SSG expected market rates
- Already received a number of expressions of interest to partner with SSG to fund the capital required to build the constellation in return for bandwidth “offtake”

Agreement to Secure SSG's Bandwidth

SSG is in discussions with major industry players, potential strategic partners

- Binding LOI executed with SSA, International Telco who has committed to:
 - providing ground based infrastructure support for the initial phase of 2-3 nano-satellites to be launched in H1 2017
 - purchasing all available communication bandwidth that SSG can provide, at competitive pricing
- International transport companies in discussions for secure services globally
- Discussions held with global telcos for potential strategic partnership agreements in the post pilot phase development and ramp up of first SSG global constellation

BUR / SSG Transaction Overview

- Burleson intends to acquire 100% of SSG for cash and scrip consideration as follows:
 - US\$100,000 in cash consideration (paid)
 - AUD\$15.6m in scrip consideration (780m post-consolidation ordinary shares; and
 - 300m post-consolidation performance shares:
 - Tranche 1 – 100m shares on execution of launch contract within 18 months
 - Tranche 2 – 100m shares on full validation and confirmation of launch ready nano-satellite
 - Tranche 3 – 100m shares on successful launch, testing and delivery of communication of 2 nano-sats
- Burleson to raise a minimum of \$4.0 million at 2c (existing Burleson shares to be consolidated on a 1:5 basis) with the ability to accept oversubscriptions of a further \$2m
- The indicative capital structure of the Company post completion could be as follows:

Shares	No. of Shares	Market Cap Value	Cash	% ownership
Shares on issue post consolidation (1:5 basis)	220.0m	\$4.4m	\$1.2m	18.3%
Acquisition Shares	780.0m	\$15.6m	-	65.0%
Capital Raising (minimum)	200.0m	\$4.0m	\$4.0m	16.7%
Total	1,200.0m	\$24.0m	\$5.2m	100.0%

Indicative Timetable

Event	Indicative Timing
Announcement of SSG UK Acquisition	3 December 2015
Lodgement of Notice of Meeting	2 March 2016
Lodgement of Prospectus - Offer open	21 March 2016
Suspension of ASX quotation	1 April 2016
General Meeting of Shareholders for approval	1 April 2016
Prospectus offer close	4 April 2016
Completion of deal	4 April 2016
Conditional Settlement	5 April 2016
Re-instatement to trade	Late April 2016

SSG Investment Summary



Strategically compelling acquisition targeted to deliver significant shareholder value



First mover advantage to offer significantly cheaper satellite communications



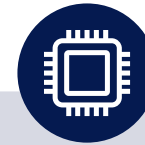
Highly attractive industry peer valuations



Strong leadership team with extensive satellite and aerospace experience to create further shareholder value



Scalable business model, with significant revenue potential through direct sales and reseller agreements



Focused growth strategy leveraging its nano-satellite technology, infrastructure and software



THANK YOU