

30 August 2016

ASX Code: SAS

New Customers Secured for Initial Nano-satellite Phase

Highlights

- Sky and Space Global's first wholesale customer, Sat-Space Africa, has secured new commercial contracts with customers for a portion of the Company's bandwidth from its 3 demonstration nano-satellites – the "3 Diamonds"
- The 3 Diamonds are scheduled to be launched in Q2 2017
- New customers contracted by Sat-Space Africa provide further commercial validation of SAS's nano-satellite technical capability and service offering
- Sat-Space Africa forecasts revenues from these new customers alone, using only a minor portion of bandwidth capacity created by 3 Diamonds commercial demonstration, of approximately USD\$500,000 per annum, with the potential to grow up to USD\$2 million with the full Equatorial constellation in operation
- Significant scope for further revenue generation from the excess capacity produced at the 3 Diamonds demonstration phase with a number of other third party discussions underway
- Also demonstrates the revenue potential of SAS with the full Equatorial constellation of 200 nano-satellites having the ability to generate circa USD\$500 million in annual revenues once in operation
- First commercial customers secured from key industry targets, including communication and tracking services for the animal, mineral, transportation data and transportation tracking industries
- SAS and Sat-Space Africa currently negotiating the progression of its binding Letter of Intent to a full commercial contract

Sky and Space Global Ltd (ASX: **SAS**, "**Sky and Space Global**" or the "**Company**") is pleased to advise that the Company's first wholesale customer, Sat-Space Africa (SSA) has secured new commercial contracts to sell the Company's nano-satellite communications bandwidth to end user customers. These customers are in addition to its own existing customer base.

In March 2016, the Company entered into a binding Letter of Intent with Sat-Space Africa Ltd, which agreed to purchase all the available communication bandwidth that the Company can provide from its initial 3 Diamonds nano-satellite demonstration platform. Sat-Space Africa is a Pan-African communications company that has existing operations and infrastructure in 27 African countries. Sat-Space Africa and the Company are currently negotiating the progression of its binding Letter of Intent to a full binding, commercial contract.

Securing new end user customers from key new industry targets like mineral (mining) and transportation tracking through SSA delivers potential early stage revenue generation for the Company's nano-satellites and significantly de-risks Sky and Space Global's offering.

The Sat-Space Africa forecast of revenue potential from these new customers alone for the 3 Diamonds demonstration nano-satellites is estimated at approximately USD\$500,000 per annum whilst only utilising a small portion of the capacity produced at the 3 Diamond phase. There is the potential for these revenues to grow to circa USD\$2 million per annum once the Company's Equatorial constellation is fully operational.

The securing of these new industry customers by Sat-Space Africa, in addition to their existing customer base, and the revenue generation from only the 3 Diamonds, demonstrates the significant revenue potential of the full Equatorial constellation.

Sky and Space Global intends to launch an Equatorial constellation of up to 200 nano-satellites commencing from mid-2018. The quantum of bandwidth created from the full constellation of nano-satellites has the potential to generate revenues of circa USD\$500 million revenue per annum.

The initial service agreements are with Sat-Space Africa and African based companies requiring communication and tracking bandwidth in the mineral, animal, transportation data and tracking industries.

Sky and Space Global's CEO, Mr. Meir Moalem said:

"We are pleased to inform our shareholders that our 3 Diamonds demonstration nano-satellites are already securing commercial value. This is the result of hard work by our team and by our strategic customer, Sat-Space Africa. Together, we will strive to further increase our footprint, add customers and services and expand into new markets including Asia and Central America."

Sat-Space Africa's MD, Mr. Shimri Lotan said:

"With the new solution from Sky and Space Global we have been able to expand our potential markets and secure revenues, once the service is commercial. We consider Sky and Space Global a strategic partner and will keep working with them to secure more agreements in the narrow-band communications market."

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About Sky and Space Global Ltd

World Experts and Highly Disruptive Business Plan

Sky and Space Global Ltd owns 100% of Sky and Space Global (UK) Limited, a UK incorporated company with European and Israeli centres of Aerospace, Satellite and Software Industry Experts, plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The Company is now funded beyond the Q2 2017 launch of its "3 diamonds" pilot network with the Indian Space Research Organization, following the completion of the Company's recent oversubscribed \$4.5 million fund raising.

The core Sky and Space Global business is to construct a communications infrastructure based on nano-satellite technology and develop the highly complex and sophisticated software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give a global coverage.

Sky and Space Global aims to provide low cost, nano-satellite communication coverage on an anywhere to everywhere base with relatively low maintenance costs. Due to the experience and expertise of the founders in the aerospace industry, the business will be able to develop with inherent upgrading capabilities within short intervals, utilising their unique IP-nan sat software protocols.