



Sky and Space Global Ltd
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16 March 2018

ASX Code: SAS

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 13 March 2018, Sky and Space Global Ltd (ACN 117 770 475) (**SAS** or **the Company**) announced that it had successfully completed a share placement of 83,333,333 fully paid ordinary shares at a price of \$0.12 per share to sophisticated and professional investors, raising approximately \$10,000,000 (**Placement**).

In order to provide all eligible SAS Shareholders with the ability to participate in this capital raising, SAS is pleased to provide details of its Share Purchase Plan (**Plan**). Under the Plan, SAS is giving Eligible Shareholders the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in SAS (**Shares**) at the same price as the Placement, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The offer under the Plan (**Offer**) will raise up to \$5,000,000 before costs on the terms and conditions (**Terms and Conditions**) contained in this letter. In conjunction with the Placement, this will provide the Company with additional funds of approximately \$15,000,000.

The Plan is underwritten by Merchant Corporate Advisory Pty Ltd and Chieftain Securities Pty Ltd up to an amount of \$5,000,000, provided the Company's placement capacity under Listing Rule 7.1 is not exceeded. The Company will pay a fee of 6% on all funds raised under the Placement and the Plan (**Capital Raising Fee**). Chieftain is a boutique corporate advisory firm that holds an AFSL. SAS Director Brett Mitchell is a director and shareholder of Chieftain, with the Capital Raising Fee an industry standard fee and negotiated on arm's length commercial terms.

Shareholders Eligible to Participate in the Plan

The right to participate under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5:00pm (WST) on the Record Date of 12 March 2018 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to each purchase up to \$15,000 worth of Shares priced at \$0.12 per share (**Price**). This Price is the same price as Shares were offered to sophisticated and professional investors under the Placement.

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The volume weighted average market price (**VWAP**) for Shares traded on ASX during the 5 trading days immediately prior to the announcement of the Offer was \$0.156. Accordingly, the Price represents a discount of 23.1% to the VWAP for that period.

Whilst SAS intends to raise \$5,000,000, SAS may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (**ASX**) Listing Rules to a maximum of 173,982,536 Shares, being the remaining amount of SAS's placement capacity under Listing Rule 7.1 following the issue of the Placement Shares.

SAS may, in its absolute discretion, undertake a scaleback so that not more than the number of Shares available for issue under the Company's placement capacity under Listing Rule 7.1, are issued under the Plan. Scaleback decisions are made by the Board and are final.

The directors advise that SPP applications will be accepted on a first-come first-served priority basis, and reserve the right to alter the terms of the SPP, including closing the SPP early. Shareholders will be provided with details of an online facility whereby payment for their SPP shares can be made via BPAY.

Under ASX Listing Rules, SAS shareholder approval is required for the Directors of SAS to participate under the Share Purchase Plan. The Directors of SAS have decided not to participate under the Share Purchase Plan, due to the cost involved in holding a general meeting to obtain shareholder approval (where no other shareholder approvals are required for the Placement or the Share Purchase Plan).

An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply paid or self-addressed envelope are included in this package.

Current Activities

Details of SAS's current activities are set out in the announcements made by SAS to the ASX and are available from the ASX, or SAS's website at www.skyandspace.global.

The funds raised under the Plan (and the Placement) will be used primarily for the completion of design, construction and launch costs of the first batch of approximately 20 Pearl nano-satellites as part of Sky and Space Global's Equatorial Constellation, which is scheduled for Q1 2019, working capital requirements and costs of the Placement and the Offer.

How much can you invest?

Eligible Shareholders may each apply for a maximum of \$15,000 worth of Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "**Sky and Space Global Ltd**" and drawn in Australian currency for the correct amount, to SAS's share registry, Computershare Investor Services Pty Limited at GPO Box 505, Melbourne VIC 3001 to be received by the

share registry no later than 5:00pm (WST) on the **Closing Date of 27 March 2018**¹. No late applications will be accepted; or

- make a BPAY^{®2} payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY[®] you do not need to return your Application Form.** New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after 5:00pm (WST) the **Closing Date of 27 March 2018**³ will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	125,000
Offer B	\$10,000	83,333
Offer C	\$5,000	41,667
Offer D	\$2,500	20,833
Offer E	\$1,000	8,333

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 27 March 2018**⁴. If the exact amount of money is not tendered with your application, SAS reserves the right to either:

- (a) return your Application Form and/or payment and not allot any Shares to you; or
- (b) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

¹ The Directors advise that applications under the Plan will be accepted on a first-come first-served priority basis, and reserve the right to alter the terms of the Plan, including closing the Plan early.

² [®] Registered to BPAY Pty Ltd, ABN 69 079 137 518

³ See note 1 above on page 2.

⁴ See note 1 above on page 2.

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The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to SAS, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.155. The market price of Shares in SAS may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Price is at a discount to the closing price for Shares prior to the announcement of the Offer, Shares are a speculative investment and the price of Shares on ASX may change between the date of SAS announcing its intention to make the an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in SAS prior to making an application under this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

The Offer cannot be transferred and the Directors of SAS reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$5,000,000. SAS, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

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If SAS rejects or scales-back an application or purported application, SAS will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of SAS with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (NZ).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (NZ). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement and Underwriting

The Company has entered into an underwriting agreement with Merchant Corporate Advisory Pty Ltd (ACN 617 902 646) (**Merchant**) and Chieftain Securities Pty Ltd (ACN 608 580 285) (**Chieftain**) to underwrite \$5,000,000 of the Offer. In the event that less than \$5,000,000 is applied for, Merchant and Chieftain have agreed to apply for the shortfall Shares at the Price, subject to compliance with the necessary legal requirements. The Company confirms that any issue of shortfall will be placed subject to the Company's placement capacity under Listing Rule 7.1 at the time of issue. The Company has agreed to pay Chieftain and Merchant a fee of \$100,000 (being 2% of the underwritten amount of \$5,000,000) and an additional 4% fee on any shortfall Shares subscribed for or placed by Merchant or Chieftain. Neither Merchant or Chieftain is a related party nor is it a shareholder in the Company as at the date of the Offer. Chieftain is a boutique corporate advisory firm that holds an AFSL. SAS Director Brett Mitchell is a director and shareholder of Chieftain, and the fees are industry standard fees and negotiated on arm's length commercial terms.

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Indicative Timetable

Record Date for Share Purchase Plan	12 March 2018
Placement and Share Purchase Plan announced	13 March 2018
Section 708A "Cleansing Notice" lodged with ASX	16 March 2018
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	16 March 2018
Share Purchase Plan Opens	16 March 2018
Closing date for Share Purchase Plan	27 March 2018
Company to notify Underwriter of Shortfall	28 March 2018
Lodge Appendix 3B, Issue of new shares under the Share Purchase Plan	4 April 2018
Quotation on ASX of new shares under the Share Purchase Plan	5 April 2018

These dates are indicative only. SAS may vary the dates and times of the Offer without notice. The Directors advise that SPP applications will be accepted on a first-come first-served priority basis. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Steven Wood, SAS's Joint Company Secretary or our corporate administration staff at our office on +61 8 6556 2400.

Yours faithfully



Brett Mitchell
Executive Director
Sky and Space Global Ltd

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Sky and Space Global Ltd ACN 117 770 475
Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**), which will be conducted in conjunction with the Placement, is to offer shareholders of Sky and Space Global Ltd (**SAS or the Company**) the opportunity to acquire additional fully paid ordinary shares in SAS (**Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan will be \$0.12 per Share, being a discount of 23.1% to the volume weighted average market price for Shares over the last 5 days on which sales in Shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. Shares will also be issued without the need to pay brokerage costs and without the need for SAS to issue a Prospectus. The Plan is governed upon such terms and conditions as the board of directors of SAS, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Holders of SAS's Shares that are registered with an Australian or New Zealand address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan). Eligible Shareholders who wish to take up Shares issued under the Plan agree to be bound by SAS's constitution in respect of Shares issued under the Plan.

An offer may, at the discretion of the directors of SAS (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Company Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to SAS in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to SAS (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 12 March 2018 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;

- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;

is exempt under:

- (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (the **Regulations**); or
- (ia) paragraph 7.6.01(1)(na) of the Regulations; or
- (ii) ASIC Class Order CO 14/1000 or ASIC Class Order CO 14/1001; or
- (iia) ASIC Class Orders CO 03/1099, CO 03/1100, CO 03/1101, CO 03/1102, CO 04/829 or CO 04/1313; or
- (iib) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (xx); or
- (iii) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- is a trustee of a self-managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or
- is noted on SAS's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Computershare Investor Services Pty Ltd at any time from 8.30am to 5.00pm (WST time) Monday to Friday during the Offer period.

SAS reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. SAS reserves the right to reject applications in accordance with these Terms and Conditions.

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Price of Shares

The price of Shares to be issued under the Plan is \$0.12 per Share.

Applications and Notices

At the discretion of the Directors, SAS will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer may be refunded without interest.

The Directors advise that Applications will be accepted on a first-come first-served priority basis and reserve the right to alter Terms and Conditions of the Plan, including closing the Plan early.

Notices and statements made by SAS to participants may be given in any manner prescribed by its Constitution.

Underwriting

The Offer is underwritten by Merchant Corporate Advisory Pty Ltd (ACN 617 902 646) and Chieftain Securities Pty Ltd (ACN 608 580 285) (**Underwriters**) up to the value of \$5,000,000 provided that the Company's placement capacity under ASX Listing Rule 7.1 is not exceeded (**Underwritten Amount**). In the event that Eligible Shareholders do not subscribe for Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount (**Shortfall**) will, subject to the terms of the underwriting agreement, be placed at the discretion of the Underwriters. The underwriting agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either parties.

The Underwriters will be entitled to a fee of 2% of the Underwritten Amount of \$5,000,000 and an additional 4% fee on any shortfall Shares subscribed for or placed by the Underwriters. Chieftain is a boutique corporate advisory firm that holds an AFSL. SAS Director Brett Mitchell is a director and shareholder of Chieftain, and the fees payable to Chieftain as an Underwriter are industry standard fees and negotiated on arm's length commercial terms.

The Company may exercise the right to terminate the Plan and underwriting agreement at its discretion.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of SAS in the relevant offer.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in SAS from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. SAS will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

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Modification and Termination of the Plan

SAS may modify or terminate the Plan at any time. SAS will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, SAS may issue to any person fewer Company Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale back

SAS seeks to raise approximately \$5,000,000. However, the maximum number of Shares that can be issued is 173,982,536, being the number of Shares remaining under the Company's placement capacity under Listing Rule 7.1 following the issue of the Placement Shares, and SAS reserves absolute discretion regarding the final amount raised under the Plan.

The Directors advise that Applications will be accepted on a first-come first-served priority basis and reserve the right to alter Terms and Conditions of the Plan, including closing the Plan early.

In the event of an oversubscription by the closing date the Directors may, in their absolute discretion, scale-back all applications on an equitable basis. If SAS rejects or scales-back an application or purported application, SAS will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

SAS may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of SAS in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

SAS reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of SAS under these conditions may be exercised by the Directors of SAS or any delegate of the Directors of SAS.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Steven Wood, Joint Company Secretary on +61 8 6556 2400.

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