



Global Satellite Solutions

1 August 2014

Kobe Li  
Senior Adviser, Listings (Melbourne)  
ASX Compliance Pty Ltd  
Level 4  
North Tower  
525 Collins Street  
Melbourne VIC 3000

Dear Kobe,

**ASX price query**

We refer to your letter of 31 July 2014 regarding the price of the Company's securities. We respond as follows (using the numbering in your letter):

1. NewSat Limited (**NewSat** or the **Company**) notes the Eureka Report article of 30 July 2014 which contains negative commentary on the Company, its corporate governance, capital structure and earnings expectations. The Company disagrees with the commentary but considers that the negative sentiment in the article has led to selling in the market.

As a separate matter, NewSat also advises that it is in discussions with the financiers to its Jabiru-1 satellite construction project about a waiver in respect of certain alleged technical or documentary breaches of the financing facilities in connection with the drawdown of the loan from Ever Tycoon Limited announced to ASX on 12 June 2014. The financiers and NewSat are in the process of agreeing the terms and conditions of a formal waiver of the breaches. Once certain terms and conditions of the waiver have been agreed and satisfied, the financiers to its Jabiru-1 satellite construction project will permit funding the project out of the cash reserves set aside for the project as well as funding the Company's approved teleport expenses. Debt funding of the project is expected to recommence upon satisfaction of all terms and conditions of the waiver. To date, the Company has made all required payments to the financiers.

While the discussions and negotiations are confidential and incomplete in this regard, NewSat expects that the conditions to the waiver request will include a requirement for additional equity funding, the appointment of new independent directors and a new CFO and certain other corporate governance matters and documentary conditions.

NewSat is in preliminary discussions with a potential new CFO and new independent directors.

NewSat will further update the market once the terms and conditions of the waiver have been agreed.

a) NewSat is not aware of any information that its earnings for the 12 month period to 30 June 2014 will differ materially from previous earnings guidance. In this regard, it should be noted that NewSat announced revised earnings expectations for FY 2014 to ASX on 6 June 2014.

b) Not applicable.

**NewSat Limited**

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2. See answer to question 1 above.
3. See answer to question 1 above.
4. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely

A handwritten signature in black ink, appearing to read "M Hewins".

Michael Hewins  
Company Secretary



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31 July 2014

Ms Sophie Karzis  
Assistant Company Secretary

Newsat Limited

By email

Dear Sophie,

**Newsat Limited (the "Entity"): ASX price query**

We have noted a change in the price of the Entity's securities from a close of \$0.26 on 30 July 2014 to an intra-day low of \$0.19 today at the time of writing this letter.

In light of the price change, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether the Entity is aware of any information that its earnings for the 12 month period ending on 30 June 2014:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
  - b) if the Entity has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if the Entity is not covered by analysts, its earnings for the prior corresponding period)?
2. If the answer to question 1 is "yes":
    - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
    - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
    - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
  3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEST on Friday, 1 August 2014). If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail or by facsimile. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Kobe Li

**Senior Adviser, Listings Compliance (Melbourne)**