



Global Satellite Solutions

ASX Release
25 August 2014

FORMAL WAIVER AGREED WITH FINANCIERS AND JABIRU-2 TO LAUNCH 12 SEPTEMBER 2014

NewSat Limited (ASX: NWT, OTCQX: NWTLY), Australia's satellite company, provides the following business update.

Formal waiver agreed with financiers

NewSat has reached agreement with the financiers for the Jabiru-1 satellite project about a formal waiver in respect to an alleged technical or documentary breach of the financing facilities, in connection with the drawdown of the loan from Ever Tycoon Limited, announced to the ASX on 12 June 2014.

With the finalisation of the agreement to waive any alleged breach, NewSat is able to fund the Jabiru-1 satellite project out of the cash reserves set aside for the project as well as fund the Company's approved teleport business expenses. Once the waiver conditions have been satisfied, the financiers to the Jabiru-1 satellite project will recommence debt funding of the project. NewSat is confident the conditions to the waiver will be completed.

Conditions of the waiver

The waiver includes a requirement for an aggregate US\$40 million in new equity and/or mezzanine funding to be raised over the next 3 months. The new capital required is approximately 6% of the total project value, as previously announced to the ASX on 6 August 2014, and discussions with multiple parties give the Company a high degree of confidence that capital is available from a range of sources. The new capital is to fund certain Jabiru-1 satellite project accounts, fund a reserve to support the working capital of the teleport business and to repay all outstanding debt under the loan from Ever Tycoon Limited announced to the ASX on 12 June 2014.

Conditions to the waiver also include completion of an in progress review of accounts on behalf of the financiers, corporate governance matters and requiring the Company to implement the Lancaster Report announced to the ASX on 6 June 2014. The implementation includes new internal frameworks, processes and reporting, along with the appointment of two new independent non-executive directors, each appointee being to the satisfaction of the financiers and such that the Company's Board of Directors comprises a majority of independent non-executive directors.

The Company has already satisfied some conditions in the waiver including the appointment of an interim CFO, the appointment of Linda Dillon as permanent fulltime CFO and Company Secretary, and Roderic Sage as Independent Non-Executive Director.

Jabiru-1 satellite construction progressing

NewSat's Jabiru-1 satellite build is not on hold or suspended. As previously announced to the ASX on 6 August 2014, component manufacturing is progressing at Lockheed Martin and at numerous external suppliers across the USA, Canada, France, Germany, Italy and Spain. Several key components have already been delivered to Lockheed Martin in advance of the integration of the spacecraft and the remaining components will be delivered in the coming months, with spacecraft integration scheduled to take place at Lockheed Martin's facilities in Denver, Colorado in late 2014. Full spacecraft environmental testing is expected to take place at Lockheed Martin's facility in Sunnyvale, California in 2015.

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Launch date confirmed for Jabiru-2

NewSat is pleased to advise that MEASAT has confirmed the MEASAT-3b satellite, which will host the Jabiru-2 payload, is scheduled for launch on 12 September 2014 EST (11 September 2014 GFT).

MEASAT-3b/Jabiru-2 is one of two satellites to be carried by Arianespace flight VA218, a dual launch from the European Spaceport in French Guiana. Following the launch, the satellite will undergo in-orbit testing and will be placed in operational service approximately four weeks after launch. The MEASAT-3b/Jabiru-2 launch was postponed in June 2014, due to the availability of the MEASAT-3b co-passenger which required further tests.

The Jabiru-2 payload consists of 216MHz of capacity that will provide coverage across Australia, Timor Leste, Papua New Guinea and the Solomon Islands, and satisfy the growing demand for communications from enterprise and government sectors.

About NewSat:

NewSat is Australia's largest pure-play satellite communications company, delivering internet, voice, data and video communications via satellite. With award winning and unique-to-Australia teleport infrastructure, NewSat has a reputation as the partner of choice for enterprise and government customers around the world. Today, NewSat provides secure and reliable connectivity to 75% of the globe.

NewSat will be expanding its satellite capabilities with the Jabiru Satellite Program. Set to launch Australia's first commercial Ka-band satellite, Jabiru-1 will provide high-powered, flexible capacity over the MENA and Jabiru-2, launching in 2014, will deliver highly targeted coverage across Australasia. For more information, please visit www.newsat.com

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