

Indoor Skydive Australia Group Limited ACN 154 103 607

ASX/Media Release
Sydney, Australia – 14 February 2017

ISA GROUP'S FIRST FACILITY IN MALAYSIA

Indoor Skydive Australia Group Limited (ASX: IDZ) has signed a Memorandum of Understanding (MOU) for the development of its first indoor skydiving facility with Bandar Utama City Sdn Bhd (1 Utama) in Malaysia. The MOU provides a framework for the development, construction and operation of an indoor skydiving facility at the 1 Utama Shopping Centre, one of the largest shopping centres in the world.

The MOU provides for the development, construction and operation of an indoor skydiving facility by ISA Group and 1 Utama through jointly owned subsidiaries. In addition to the return from its equity investment, ISA Group will provide management services for the facility and be entitled to a separate management fee.

The cost of the project, including internal costs, to ISA Group is estimated to be between \$1.5 to \$2 million. We expect to fund this from operating cashflows, supplemented by existing cash reserves and debt if appropriate.

The MOU is non-binding other than the parties have agreed to a binding exclusivity period for ISA Group and 1 Utama to finalise the timetable, costs plans and formal agreements.

The indoor skydiving facility is being developed as part of the extension of the 1 Utama Shopping Centre which includes access to the Bandar Utama MRT station, linking 1 Utama to the Greater Kuala Lumpur region. Construction of the extension has commenced and is scheduled for opening in December 2017.

With over 30 million visitors per year, the 1 Utama shopping centre is an “all in one” complex combining retail, leisure, sporting and entertainment facilities. It is interconnect with several high-rise office towers and a 5-star luxury hotel.

The 1 Utama indoor skydiving facility will be ISA Group's first facility outside of Australia and is the result of several years of market research and due diligence to understand the local business environment. By working with 1 Utama as a partner, ISA Group is able to mitigate risks, reduce the capital commitment required by ISA Group and leverage off 1 Utama's local success and experience.

Further information on ISA Group is available at www.indoorskydive.com.au.

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About Indoor Skydive Australia Group Limited (ACN: 154 103 607)

Indoor Skydive Australia Group Limited was established in 2011 as the parent company to build and operate a number of indoor skydiving facilities across our region in the next 3-5 years. These facilities allowing human flight within a safe environment are currently used by tourists, skydiving enthusiasts and military throughout the world. Flexible operating hours, low overheads and proven technology are just a few of the highlights that support the company's business model. The Company listed on ASX on 18 January 2013 under the code IDZ.

For further information visit: www.indoorskydive.com.au

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