

Annual General Meeting 2014

Friday 28 November 2014



Resolutions

Resolution 1

Adoption of Accounts & Reports

To receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2014.

Resolution 2

Adoption of the Remuneration Report

“That the Remuneration Report for the financial year ended 30 June 2014 included in the Directors’ report, which is attached to the Financial Statements as required section 300A of the Corporations Act, be adopted by the Company.”

For	Against	Open Usable	Open Unusable	Abstain
68,185,755	16,682,591	2,281,847	Nil	2,933,386
78.24%	19.14%	2.62%	0.00%	N/A

Resolution 3

Re-election of Mr Roderic Sage as a Director

“That Roderic Sage, having been appointed as a Director on 13 August 2014 in accordance with rule 56.1 of the Constitution and eligible under rule 56.2 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company.”

For	Against	Open Usable	Open Unusable	Abstain
92,281,420	2,293,143	2,249,541	Nil	1,060,978
95.30%	2.37%	2.33%	0.00%	N/A

Resolution 4

Re-election of Mr Frederick Grimwade as a Director

“That Frederick Grimwade, having been appointed as a Director on 29 August 2014 in accordance with rule 56.1 of the Constitution and eligible under rule 56.2 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company.”

For	Against	Open Usable	Open Unusable	Abstain
92,274,980	2,269,701	2,275,541	Nil	1,064,860
95.31%	2.34%	2.35%	0.00%	N/A

Resolution 5

Re-election of Mr Patrick McVeigh as a Director

“That Patrick McVeigh, having been appointed as a Director on 26 September 2014 in accordance with rule 56.1 of the Constitution and eligible under rule 56.2 of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company.”

For	Against	Open Usable	Open Unusable	Abstain
91,830,380	2,224,183	2,269,541	Nil	1,560,978
95.33%	2.31%	2.36%	0.00%	N/A

Resolution 6

Re-election of Mr Richard Green as a Director

“That Richard Green, having retired from his office as a Director in accordance with rules 58.1 and 58.2 of the Constitution and being eligible, having offered himself for re-election, be re-elected as a Director of the Company.”

For	Against	Open Usable	Open Unusable	Abstain
79,976,112	14,345,752	2,279,608	Nil	1,283,610
82.79%	14.85%	2.36%	0.00%	N/A

Resolution 7

Issue of New Shares

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Directors to allot and issue up to the number of Shares to such allottees and at such issue price as more particularly described in the Explanatory Memorandum.”

For	Against	Open Usable	Open Unusable	Abstain
86,367,785	8,460,360	2,320,854	Nil	736,083
88.90%	8.71%	2.39%	0.00%	N/A

Resolution 8

Past issue of Shares

“That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the past issue of 5,000,000 fully paid Shares in the capital of the Company to Tesinky Limited on the terms and conditions set out in the Explanatory Memorandum.”

For	Against	Open Usable	Open Unusable	Abstain
82,331,713	12,377,533	2,457,321	Nil	718,515
84.73%	12.74%	2.53%	0.00%	N/A

Resolution 9a

Approval to amend the terms of previously issued Performance Rights and Options to Mr Elwood Charles Ellison III

“That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholder approval is given to amend the terms of 600,000 Performance Rights and 1,200,000 Options previously issued to Mr Elwood Charles Ellison III on the terms set out in the Explanatory Memorandum.”

For	Against	Open Usable	Open Unusable	Abstain
68,496,798	25,935,413	2,356,321	Nil	1,096,550
70.76%	26.80%	2.44%	0.00%	N/A

Resolution 9b

Approval to amend the terms of previously issued Options and Performance Rights to Mr Aron Merar

“That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholder approval is given to amend the terms of 100,000 Options previously issued to Mr Aron Merar on the terms set out in the Explanatory Memorandum.”

For	Against	Open Usable	Open Unusable	Abstain
68,791,196	25,666,393	2,257,321	Nil	1,170,172
71.12%	26.54%	2.34%	0.00%	N/A

Company update

Agenda

Adrian Ballintine

Founder and Chief Executive Officer

David Ball

Chief Technology Officer

Andrew Matlock

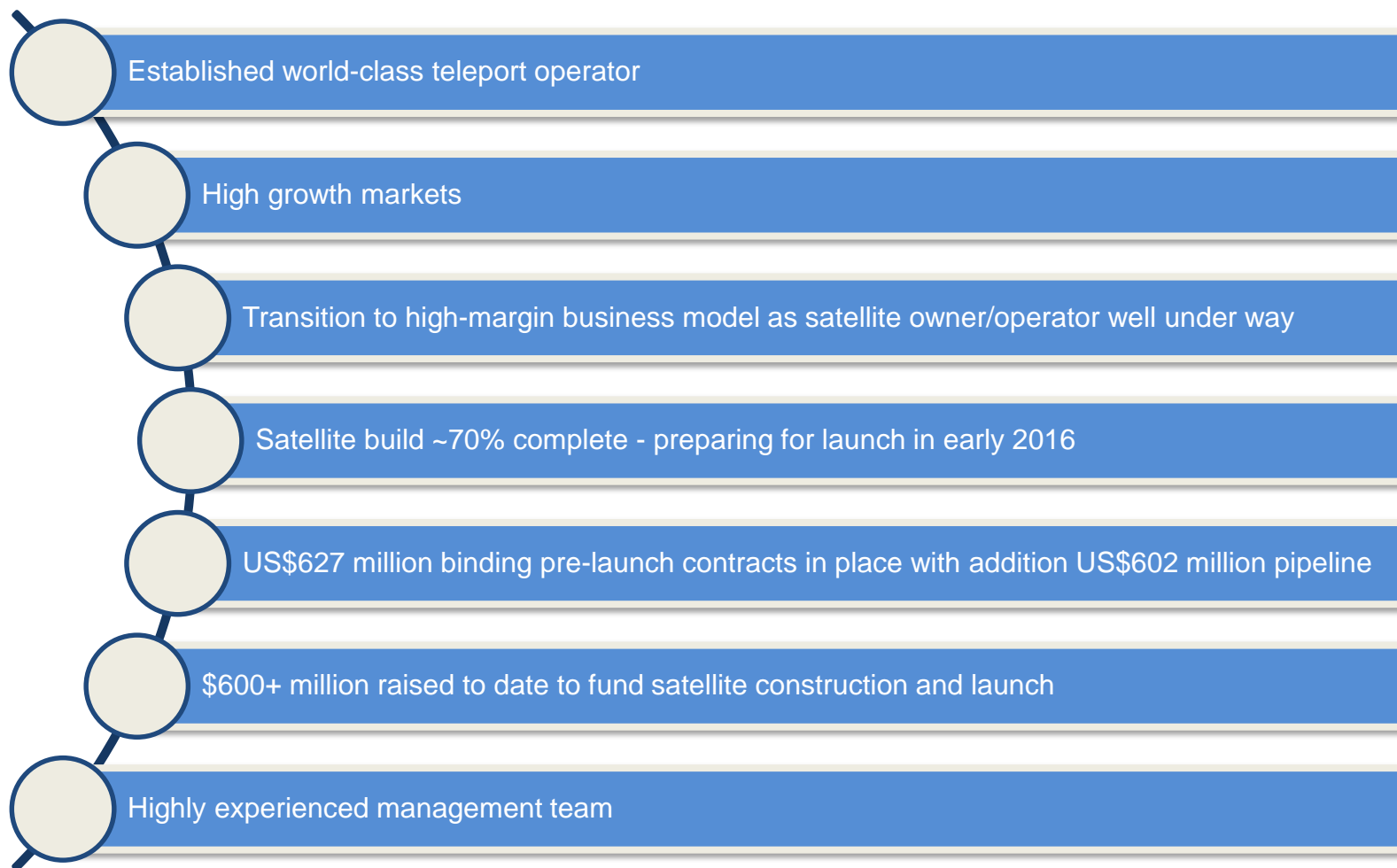
SVP Global Sales

Don Brown

SVP Strategic Planning

Adrian Ballintine, Founder and CEO

Corporate highlights



Capital raise update

- NewSat has finalised US\$10 million of a US\$40 million capital raising
- NewSat has submitted, earlier this week, a proposal to the lenders that would fully finance the project
- NewSat will engage with the lenders and make a further announcement when agreement is reached

Financial summary

\$31.3 million

Revenue from ordinary activities,
down 20% from \$39.3 million in FY13

\$11.5 million

Gross Margin, down 29% from \$16.1
million in FY13

\$2.6 million

Positive profit before depreciation,
amortisation, finance costs and tax
(EBITDA)¹

\$0.7 million

Net Profit

\$3.5 million

Negative operating cash flow

\$45.5 million

Cash and cash equivalents

The Appendix 4E results are based on the 30 June 2014 financial statements and accompanying disclosures.

<i>A\$000s (unless indicated otherwise)</i>	Year Ended 30 June 2012	Year Ended 30 June 2013	Year Ended 30 June 2014	FY13-FY14 Change	% Growth	
Revenue - from ordinary activities	37,244	39,260	31,252	(8,008)	▼	(20%)
Gross Margin	15,921	16,067	11,465	(4,602)	▼	(29%)
Profit before depreciation, amortisation, finance costs and tax (EBITDA)	3,881	12,079	2,632	(9,447)	▼	(78%)
Net profit for the period attributable to members; and Profit from ordinary activities after tax attributable to members	2,259	10,449	701	(9,748)	▼	(93%)
Operating cash flow	4,872	6,240	(3,459)	(9,699)	▼	(155%)
Cash and cash equivalents	3,761	112,781	45,545	(67,236)	▼	(60%)
Net tangible assets per security - (\$)	(0.0160)	0.3448	(0.2744)	(0.6192)	▼	(180%)
Basic earnings per share - (cents)	1.1486	3.1127	0.1202	(2.9925)	▼	(96%)
Diluted earnings per share - (cents)	0.9710	2.7521	0.1102	(2.6419)	▼	(96%)

Payment of a dividend is not proposed.

¹ EBITDA is calculated as profit before depreciation, amortisation, finance costs and tax (EBITDA) and is included to assist investors better understand the performance of the business as management consider cash generation ability to be a key performance measure. Non-IFRS information has not been subject to review from the group's external auditor.

Financial summary



Images courtesy of Lockheed Martin and Arianespace

US\$627M

Pre-launch customer contracts for Jabiru capacity

~46%

Utilisation already sold for first 3 years

60-70%

Expected utilisation at launch for first 3 years

US\$602M

Sales pipeline across enterprise and government customers

US\$3B

Expected revenue at 70% utilisation over 15 year mission life

Management team strengthened

David Kramer

SVP, Corporate Development

David is an experienced software, internet, technology and defence sector executive with extensive public and private company experience, including a broad background in international operations, laws and regulations, business development, M&A, corporate finance, capital creation and IPR development and protection.

David has attended the Washington University School of Law and the London School of Economics and is very highly regarded for numerous achievements in the commercial world.

Formal waiver agreed with financiers

On 25th August 2014, the waiver conditions were announced. We are working with the lenders to achieve these.

- The waiver includes a requirement for an aggregate US\$40 million in new equity and/or mezzanine funding to be raised by 30 November 2014
 - The new capital required is approximately 6% of the total project value;
 - 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
- 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 including new internal frameworks, processes and reporting
- 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 already satisfied some conditions in the waiver including the appointment of an interim CFO, the appointment of Linda Dillon as permanent full time CFO and Company Secretary, and Roderic Sage as Independent Non-Executive Director.

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

Updated project costs

Sources of Funds – November 2014 (US\$M)

US Ex-Im Bank Direct Loan	300.5
COFACE Guaranteed Facility	89.6
Mezzanine	30.0
Standby Facility	25.0
Equity	200.1

Total Sources	645.2
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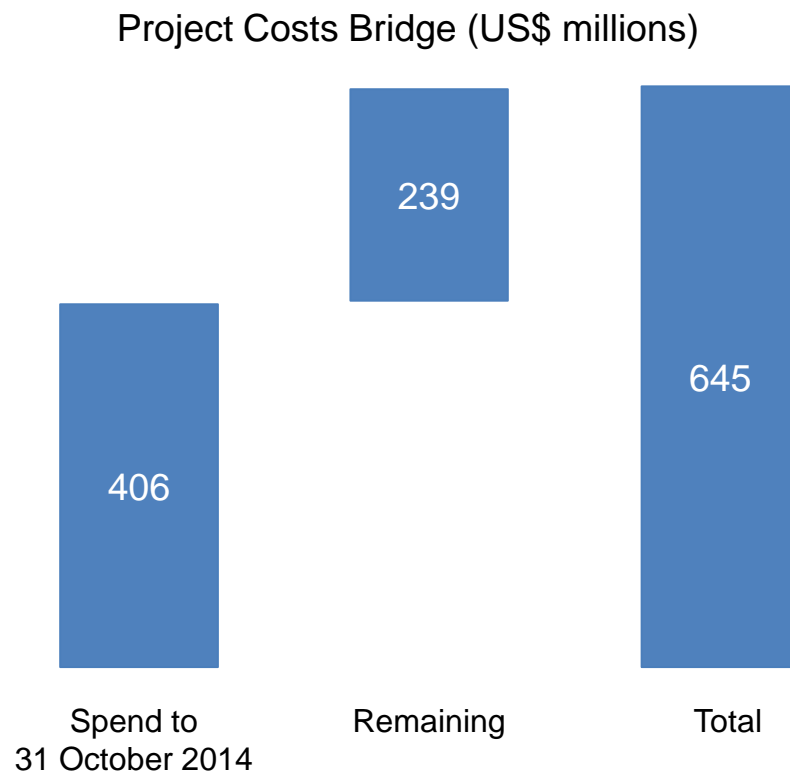
Uses of Funds – November 2014 (US\$M)

Spacecraft & Launch Vehicle	386.9
Insurance	35.6
Interest During Construction	13.6
ECA Exposure Fees	40.7
Non-Satellite Capex	26.4
Other G&A and project costs	84.2
Debt Servicing Ratio Account (DSRA)	13.8
Transaction Costs	37.8
Refinancing of existing debt	6.3

Total Uses	645.2
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Project costs (cont.)

Approximately \$406 million has been spent on the project to-date with ~\$239 million remaining over the next 18 months. NewSat has contributed over ~90% of the total equity contribution for the project.



Corporate Governance initiatives

Market update

On the 2nd October 2014, NewSat announced that significant progress has been made to satisfy the formal waiver conditions.

- The Company appointed:
 - Linda Dillon as Chief Financial Officer & Company Secretary
 - Independent Non-Executive Directors, Frederick Grimwade, Roderic Sage and Patrick McVeigh
- The Company has implemented the corporate governance recommendations in the timeframe agreed in the waiver

Corporate Governance improvements

NewSat supports the Australian Securities Exchange Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Company's governance framework was reviewed, in conjunction with independent consultants, to ensure consistency with the recommendations.

NewSat recently published some of the revised corporate governance, policies and charters to the website and company intranet.

With particular focus on:

- Board charter
- Directors' independence checklist
- Adhering to majority independent Directors
- Code of Ethics and Conduct

Management and oversight

ASX Principle 1: Lay solid foundations for management and oversight

- Company's role and responsibilities formalised within a Board Charter
- Chief Executive Officers (CEO) delegated authority defined within a Delegated Authority Policy Framework
- Corporate Planning Policy developed and processes established by which NewSat translates its mission, vision and values into actionable and measurable goals, strategies, initiatives, programs and financial budgets (e.g. annual Board offsite strategy workshop).
- Policies and procedures should be documented to prescribe the minimum requirements and controls to mitigate financial, operational and compliance risks.

- Completed
- Progressing
- On schedule

Board structure

ASX Principle 2: Structure of the Board to add value

- Establish a documented checklist for assessing individual directors against the criteria provided in the ASX Director Independence requirements and define the materiality standards to be applied against each of the requirements.
- Director independence assessments should be reviewed and approved by the Audit Committee to support the representations made in the Corporate Governance Statement or explain any variations where the criteria or materiality standard has not been applied to an individual director to inform shareholders as to the Board's reasoning.
- Director representation on the Remuneration Committee should be reviewed in accordance with the ASX requirements for independent directors.

Composition

The Committees will consist of a minimum three Directors, two of whom must be independent directors. The Chief Financial Officer will be invited to the meetings.

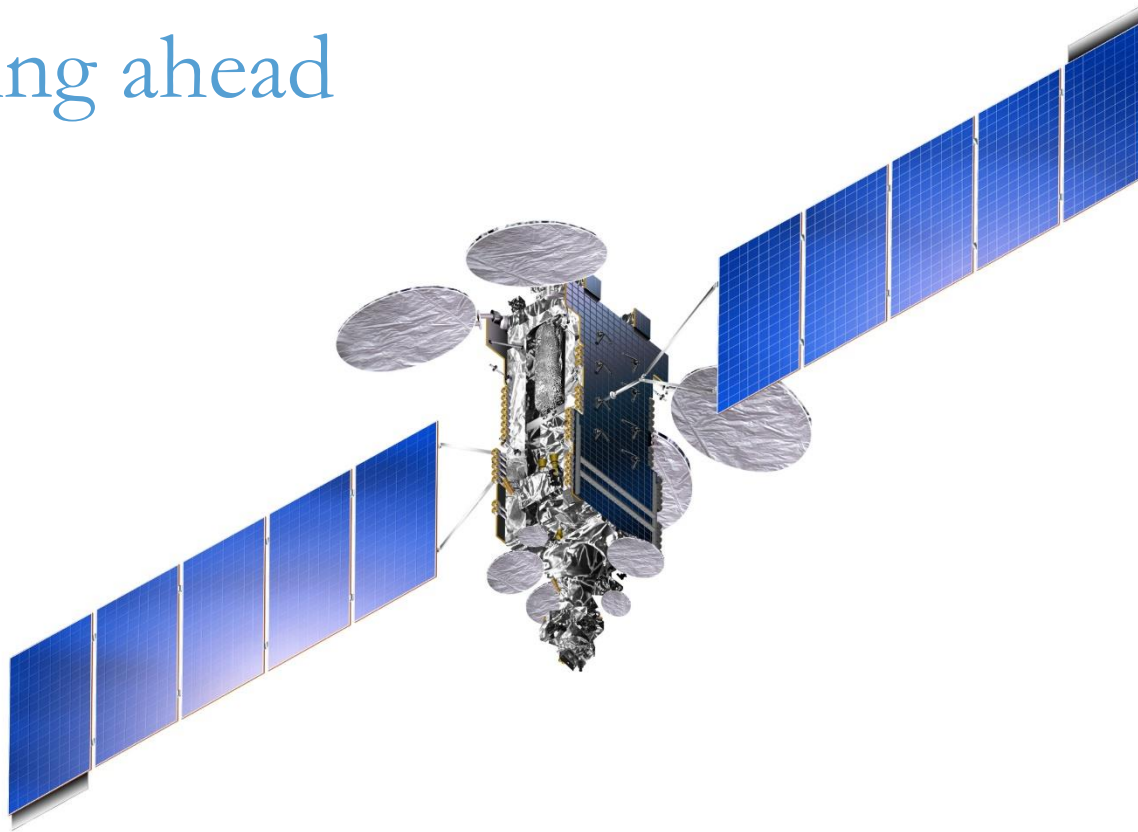
Ethical and responsible decision-making

ASX Principle 3: Promotion of ethical and responsible decision-making

- The Employee Code of Conduct Policy should be expanded to incorporate encouraging the reporting of unlawful/unethical behaviour and protection for those who report violations in good faith.
- Board policies should be made available to all staff on the Company's intranet website with training provided to guide staff with respect to the policy requirements and accountability

Summary

Looking ahead



Jabiru-1

Continue construction with Lockheed Martin, launch progress with Arianespace and ground infrastructure and systems developments

Jabiru-2

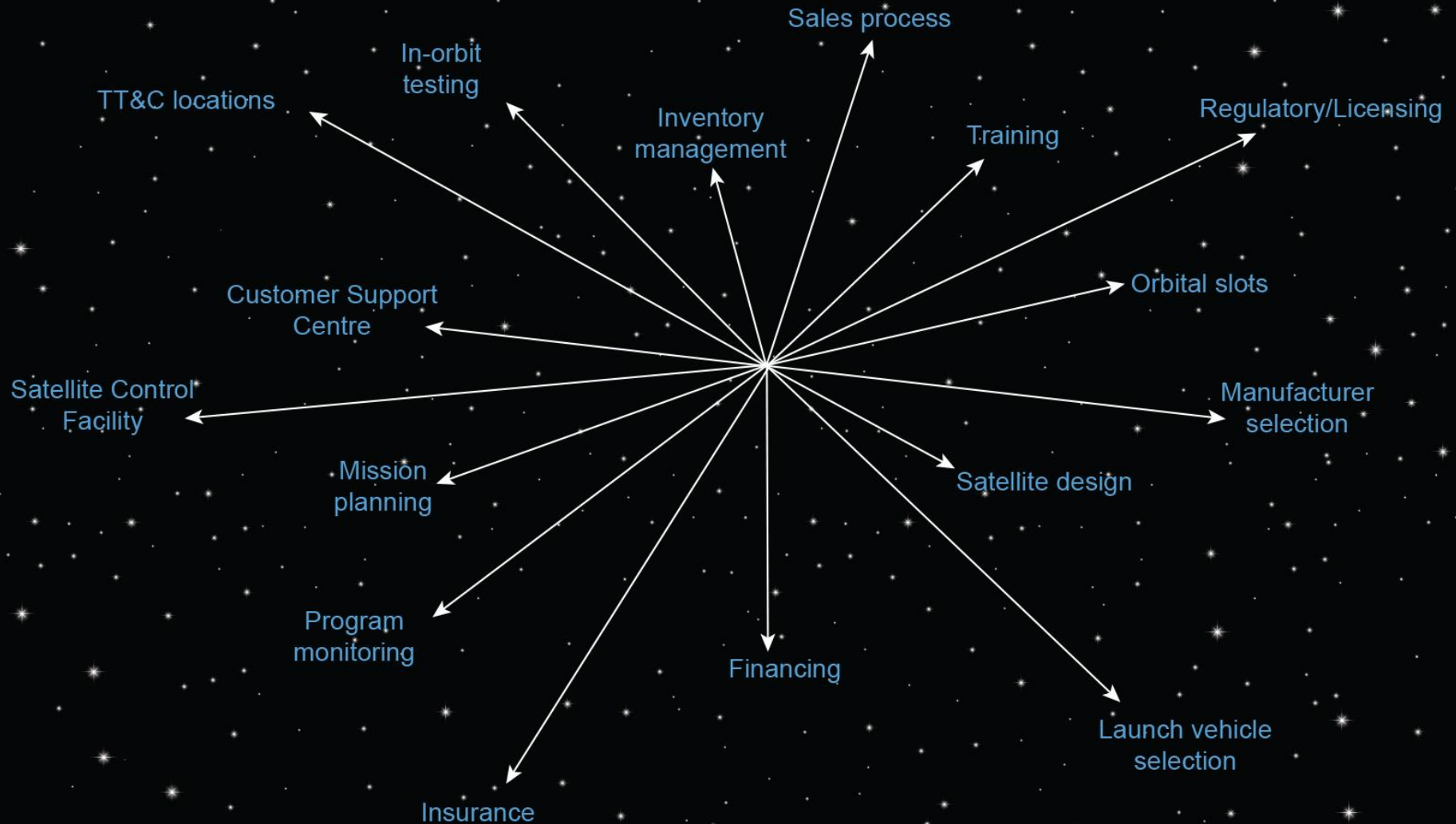
Continue to grow customer sales pipeline and acquire new customers by providing an expanded service offering in key Australasia markets

Teleport business

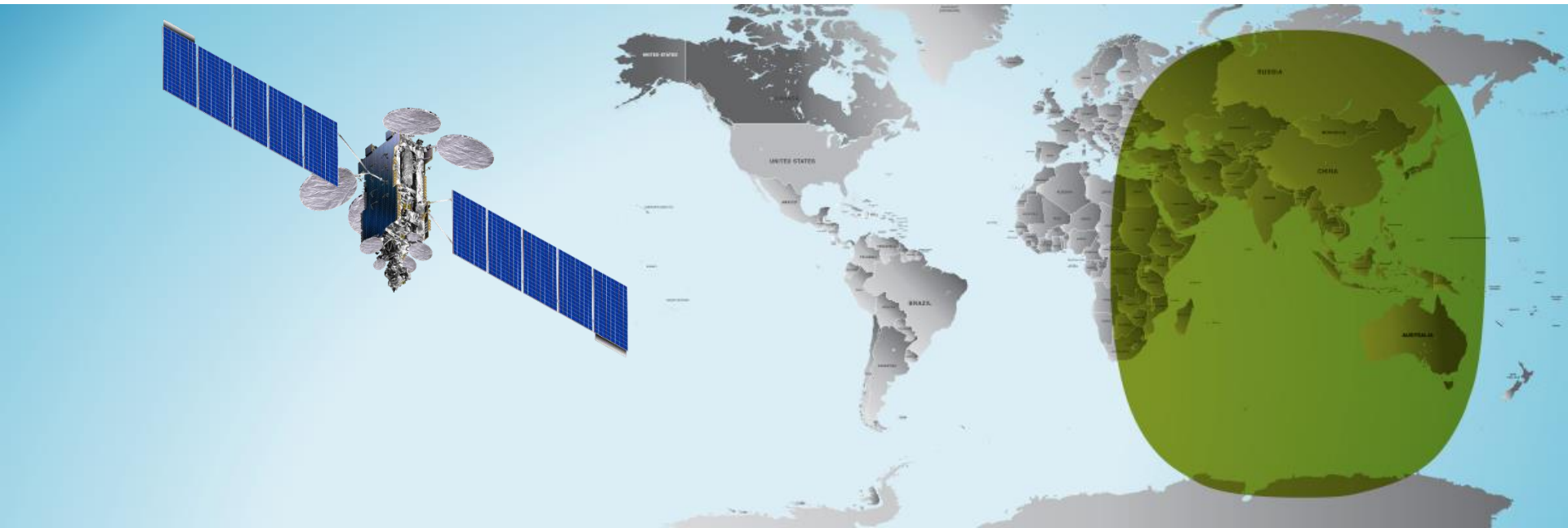
Continue to acquire new customers, nurture current customers and grow into new verticals and regions while continuing to monitor cost efficiencies

David Ball, Chief Technology Officer

Building blocks of a satellite operator



Jabiru-1 satellite design



Australia's first commercial Ka-band satellite

- High-powered Ka-band coverage over the Middle East, Asia and Africa
- 7.6 GHz of “new” Ka-band capacity to the region
- “Raw” capacity delivered through a range of multi-spot, regional and steerable beams
- Under construction at Lockheed Martin
- Launch will be on Ariane 5

Experienced partners

Finance Partners



Standard
Chartered



coface



Export Credit Agency (ECA) debt financing providers with US\$415 million facility size for Jabiru-1, a weighted average fixed interest rate of ~3% and 8.5 year amortization period from commencement of satellite operations.

Satellite Construction



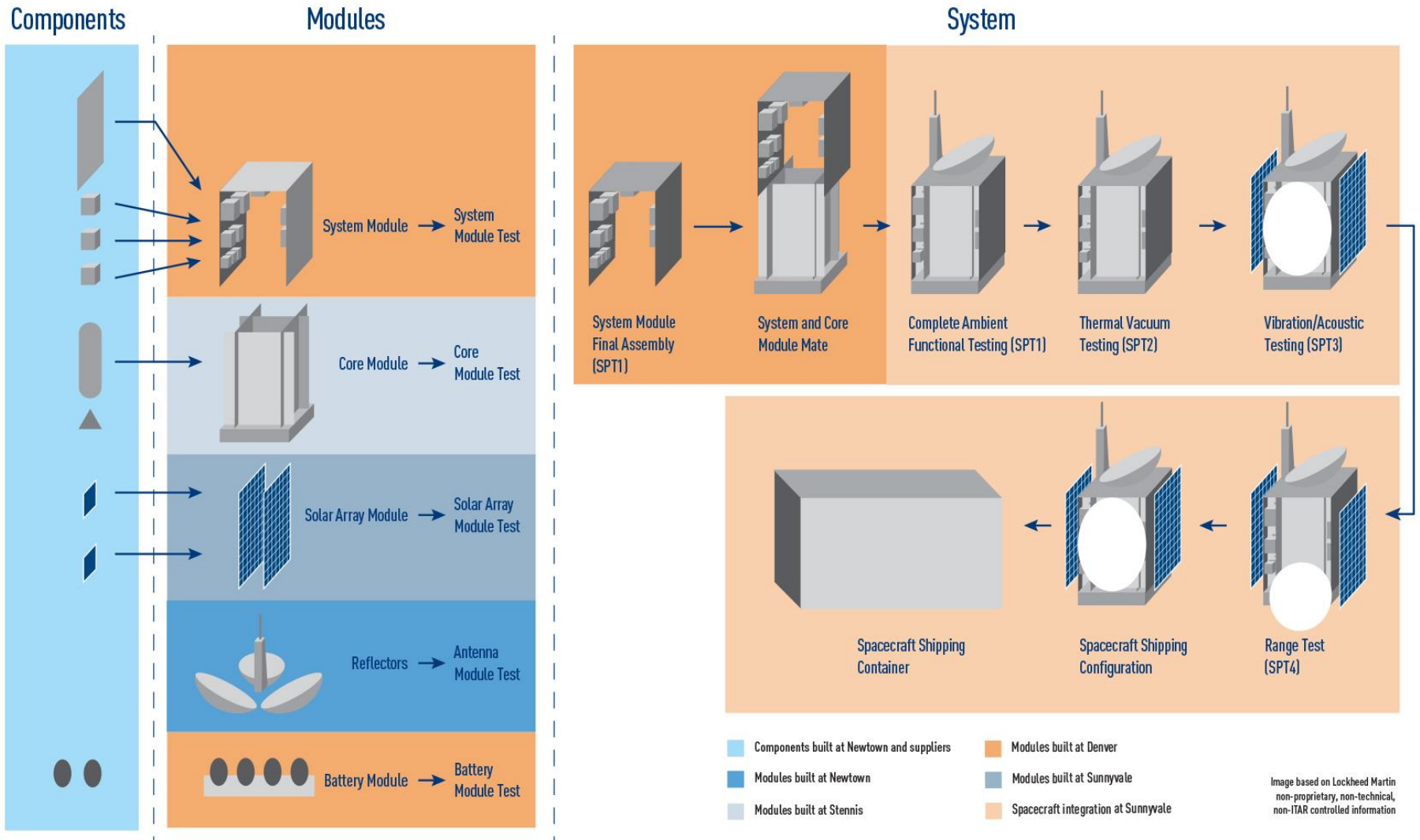
Proven A2100 series spacecraft platform with 39 A2100 satellites in orbit and over 100 commercial communications satellites launched, achieving over 400 cumulative years of successful, in-orbit operations for A2100 satellite in 2013.

Launch Service



Accounting for over half of all worldwide commercial launches, Arianespace has proven Ariane5 rocket technology with 62 consecutive successful launches and 301 primary satellites launched from French Guiana operations.

Jabiru-1 integration



Jabiru-1 milestones



Images courtesy of Lockheed Martin

- Critical Design Review completed April 2014
- Component manufacturing and delivery:
 - Propulsion Components June 2014
 - Payload Components December 2014
 - Solar arrays June 2015
- ◐ Sub-system integration December/January 2015
- ◐ Propulsion module October 2014
- System module integration December 2014 - June 2015
- Final integration and environment testing Commencing July 2015

- Completed
- ◐ Progressing
- On schedule

Jabiru-1 launch service activity



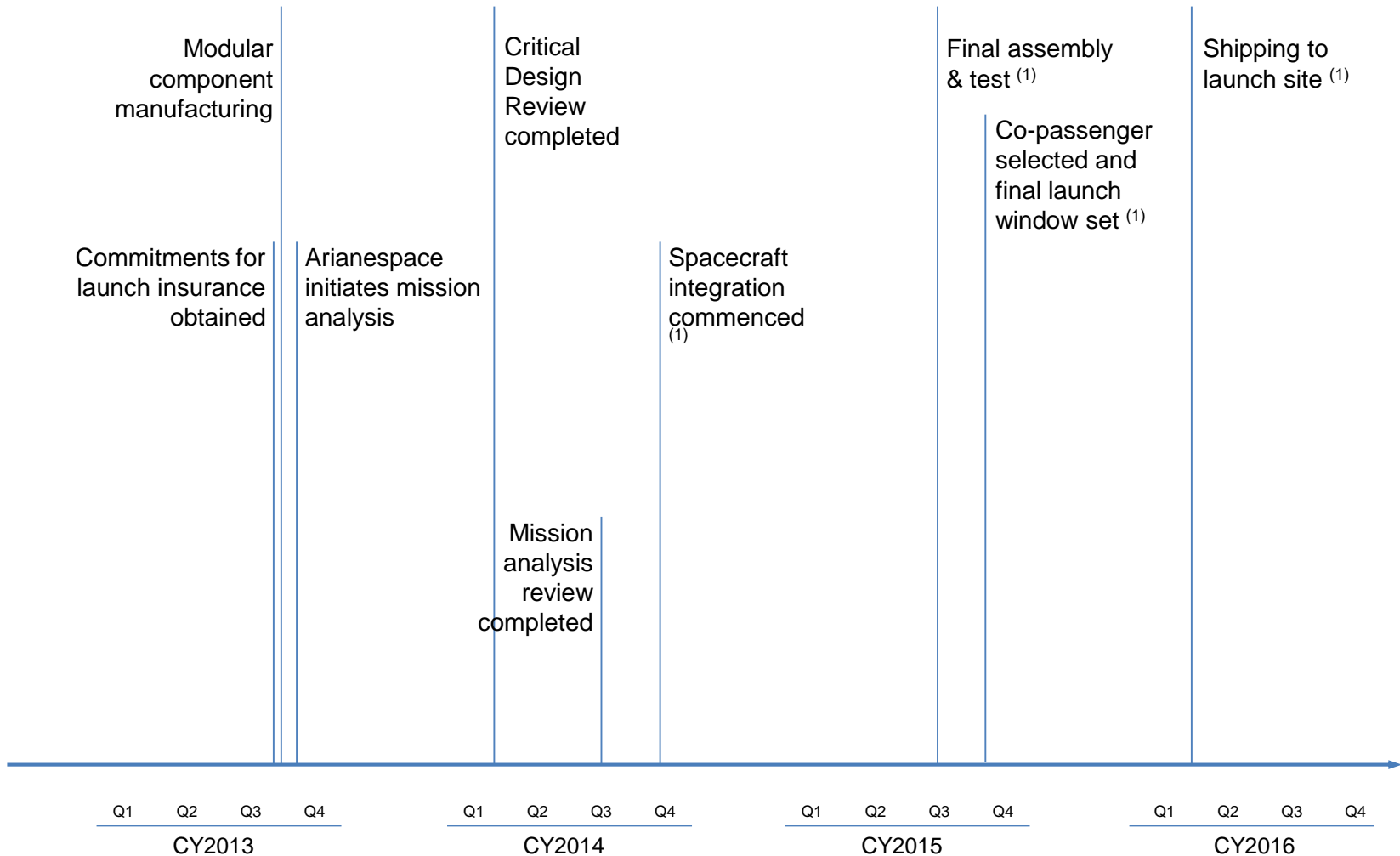
62 successful missions in a row for Ariane 5 launch vehicle achieved in October 2014

Image courtesy of Arianespace

- Mission analysis kick-off with Arianespace and Lockheed Martin
- Preliminary mission analysis conducted
- Formal review of preliminary mission analysis completed
 - Review confirmed acceptability of all elements of mission performance
- Operations review meeting to be conducted in mid-2015
- Final mission analysis will validate all mission performance parameters

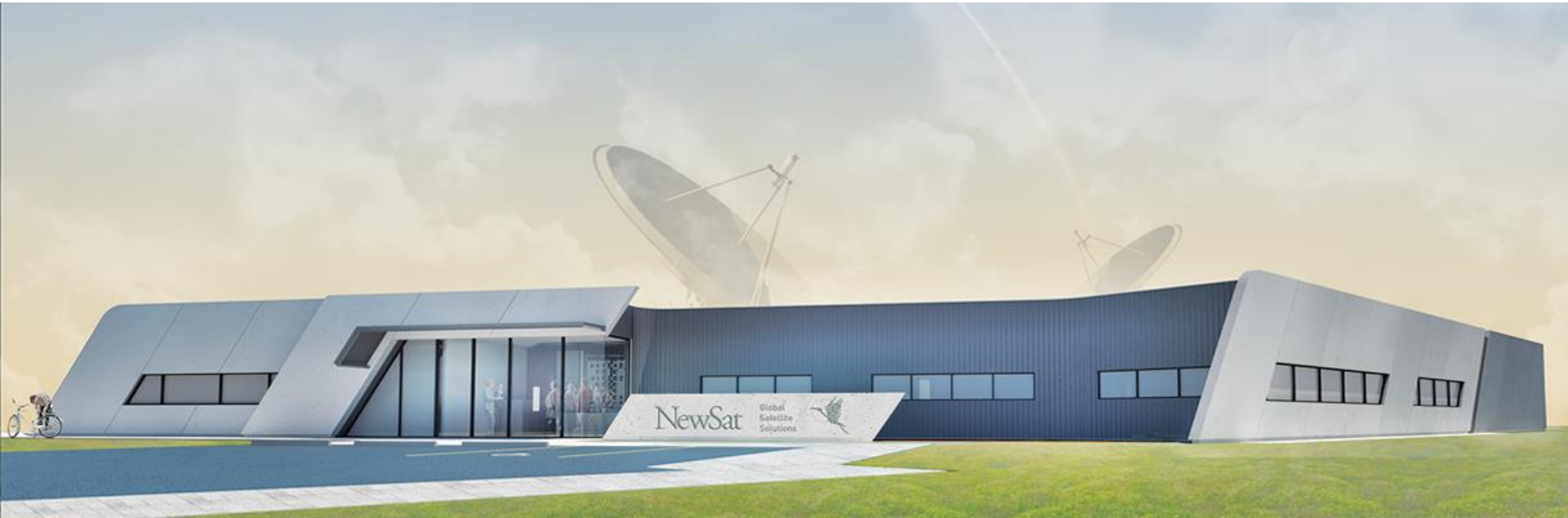
Jabiru-1 timeline

Satellite construction is well-progressed



⁽¹⁾ Any delays in these milestones could result in a delay in launch

Teleport expansion



- Phase 1: Power system upgrade
- Phase 2: Jabiru-1 antennas
- Jabiru Satellite Control Facility
- Jabiru Customer Support Centre
- Teleport Operations Centre
- Phase 3: Main building

Proposed architectural view of NewSat
teleport in Mawson Lakes, South Australia

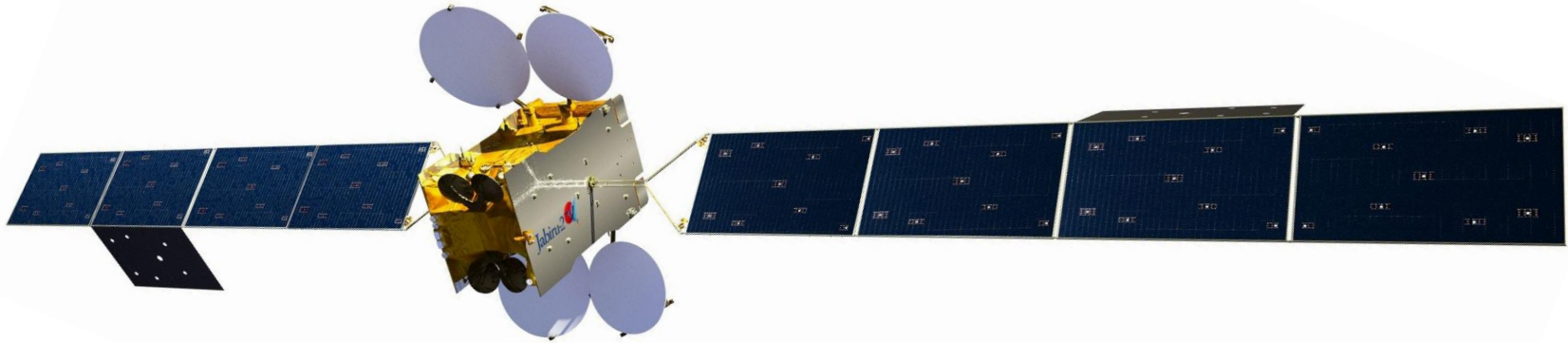
Jabiru-2 launch success



Image courtesy of Arianespace

- Satellite construction completed in late 2013 and placed into storage
- Satellite was delivered to the launch site in May
- Satellite was fuelled and readied for launch in June
- 12 September 2014 launch success on Ariane 5
- Commenced commercial service mid-October

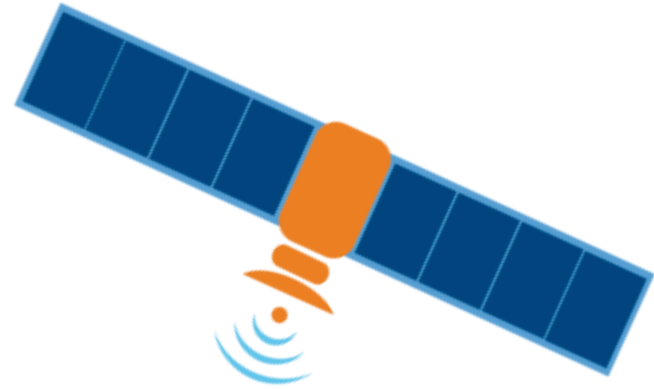
Jabiru-2 service management



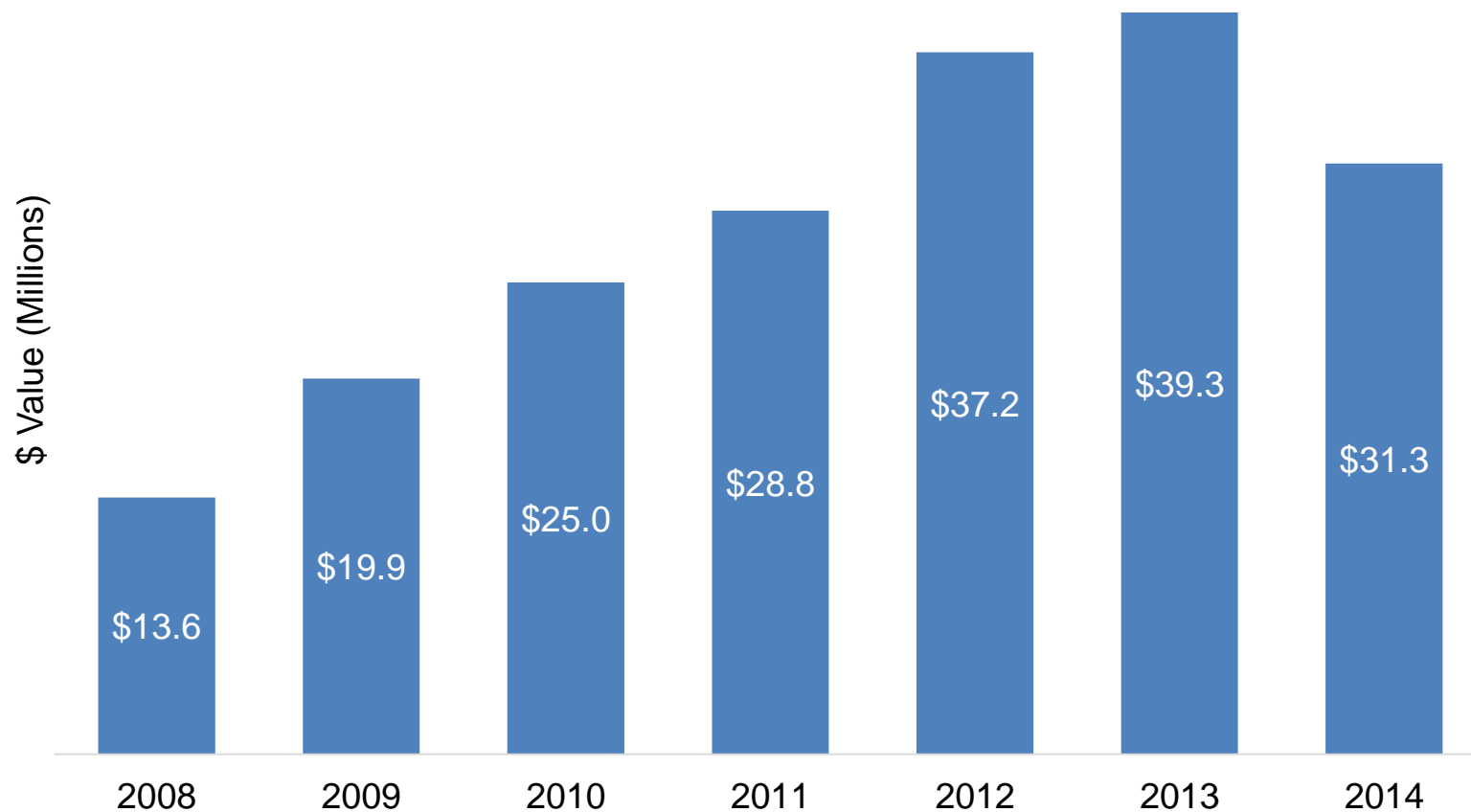
- Jabiru-2 antenna in Perth
- Managed service platforms activated
- Pre-sales engineering support
- Link analysis approval
- Transmission plan approval
- Inventory management
- Life of service engineering support
- Transition of existing services
- Customer migration in progress

Andrew Matlock, SVP Global Sales

Teleport and Jabiru-1



Revenue from ordinary activities

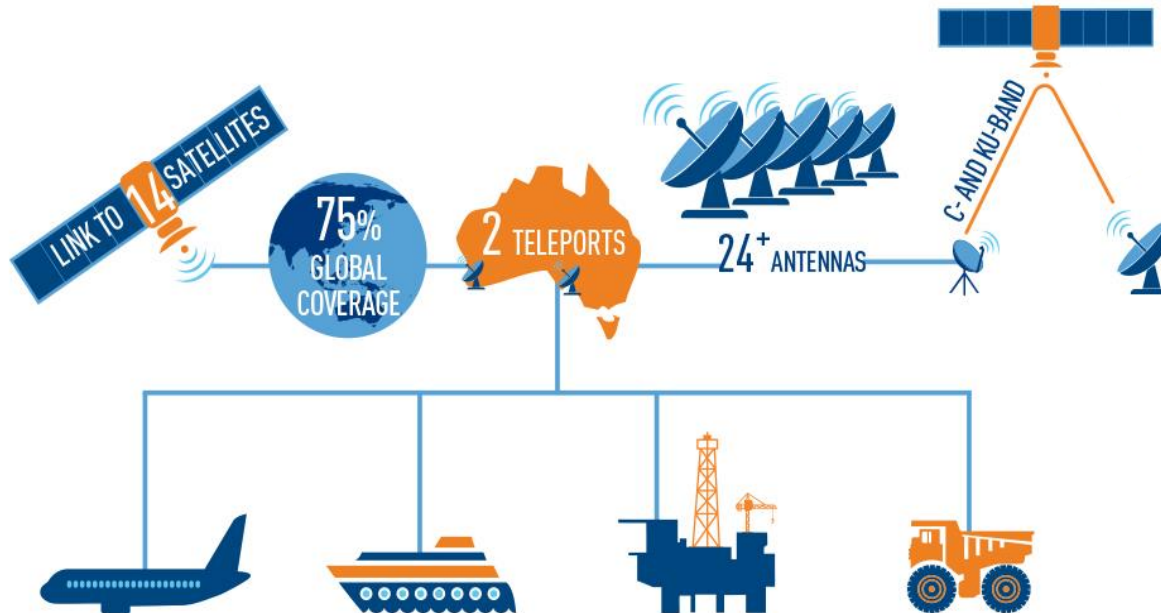


Challenges



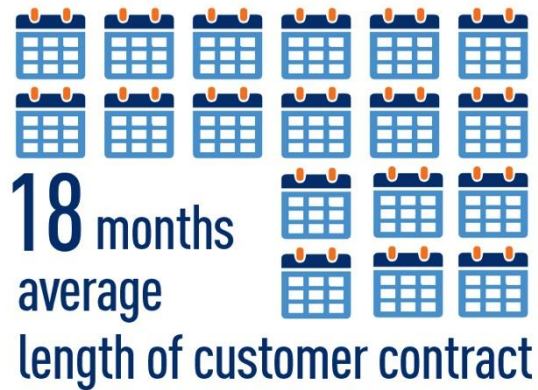
1. Loss of a number of contracts
2. Competition
3. Resources industry slow down

What are we doing?



1. Expanding reach into the USG
2. Jabiru-2
3. Additional focus offshore
4. Customer centricity

Teleport



Jabiru-1 contracts and pipeline

Binding pre-launch contracts - US\$627MM

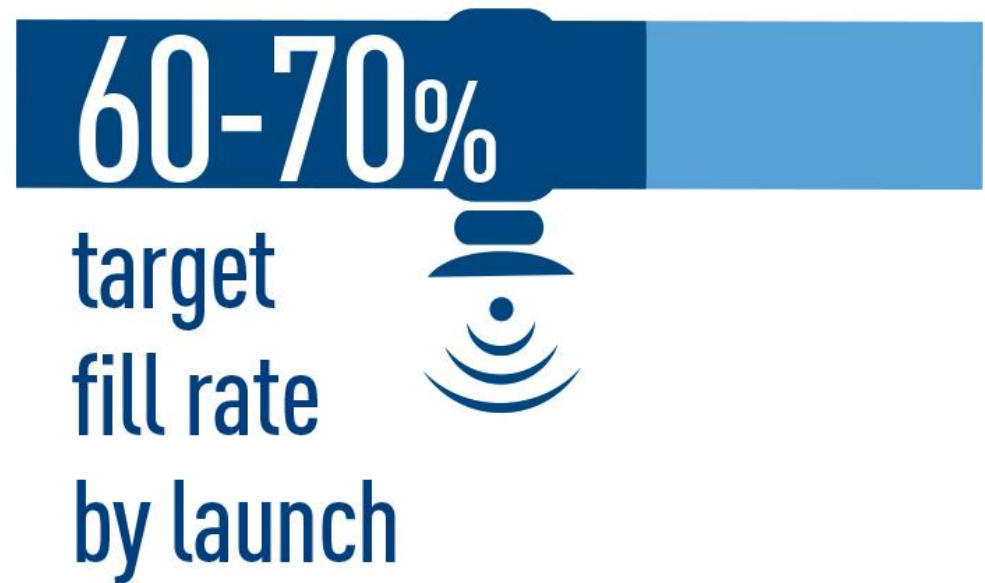
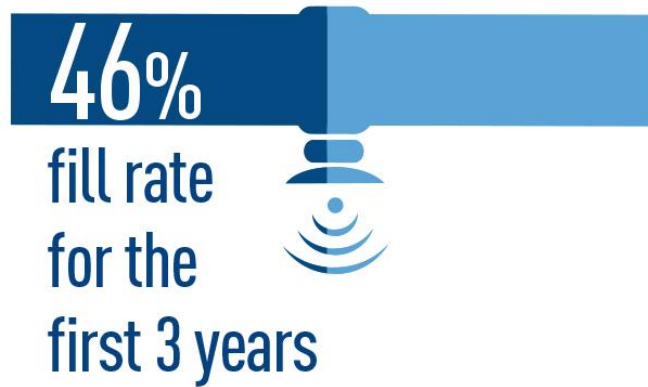
Pipeline ⁽¹⁾

\$30MM	\$32MM	\$40MM	\$67MM	\$157MM	\$105MM	\$197MM	\$602MM
South Asian Reseller	GCC Reseller	Middle East telecommunications company	Middle East telecommunications company	South West Asian telecommunications company	US Service Provider	Malaysian Satellite Operator	



⁽¹⁾ Total value of opportunities

Jabiru-1



Don Brown, SVP Strategic Planning

Message from AGM 2013



Strategic initiatives

Immediate objectives:

- Provide NewSat business growth at low or no cost of capital
- Position NewSat as the leading provider of satellite products and services to enterprise and government through strategic partnerships with major global integrators

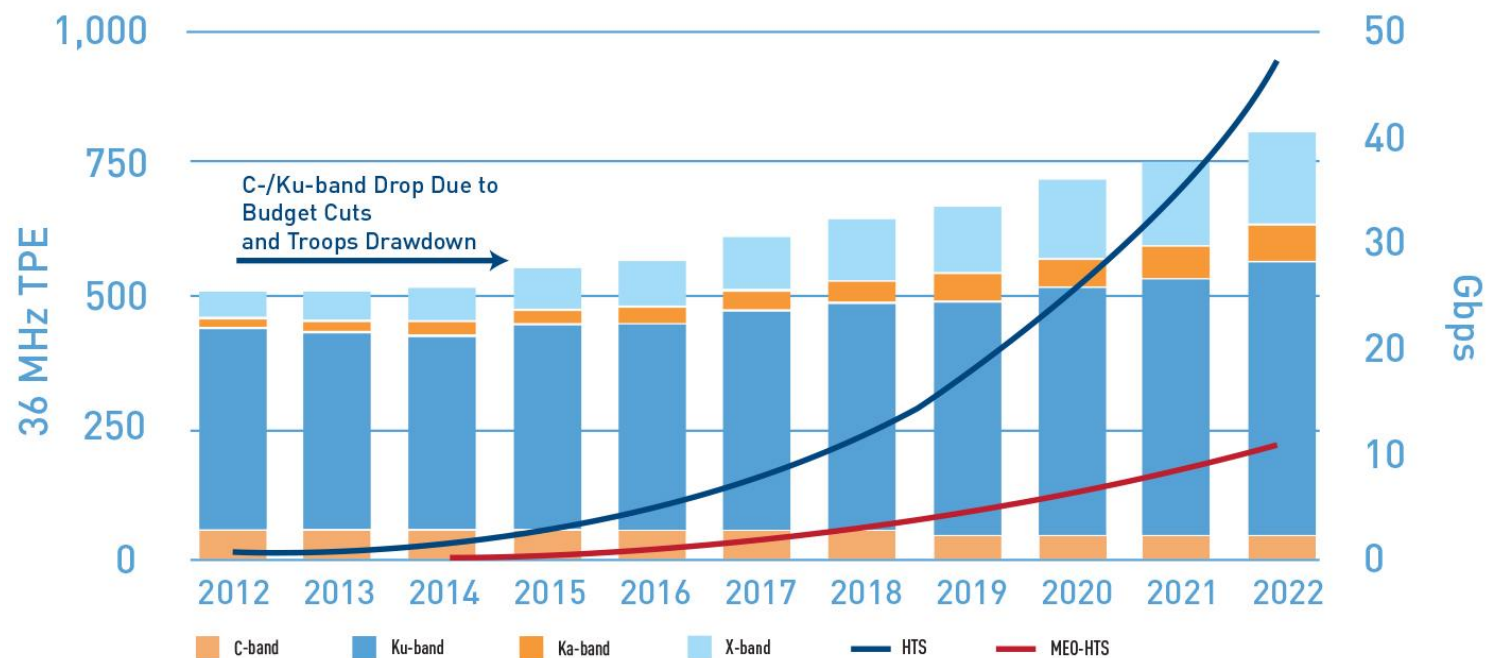
Long-term objectives include:

- Accelerate future Jabiru spacecraft opportunities by securing enterprise and government customers to reduce cost and risk of future Jabiru business

Drivers of opportunity

- Increasing need for specialised secure communications
- Growth of Unmanned Aerial Vehicles (UAV)/Remotely Piloted Aircraft (RPA) bandwidth demand

Global GMSC Transponder and Bandwidth Demand by Frequency Band



Source: Northern Sky Research 2013

Questions

Thank you



Melbourne, Australia

Karachi, Pakistan

Perth, Australia

Washington DC, USA

Adelaide, Australia

Dallas, USA

Sydney, Australia

Singapore, Singapore

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