



Global Satellite Solutions

ASX Announcement
23 January 2015

COMPANY UPDATE

NewSat Limited (ASX: NWT, OTCQX: NWTLY), Australia's satellite company, provides the following update in relation to developments in its orbital slot arrangements and its project financing.

Orbital Slots

In 2011, NewSat entered into an agreement with A.P. Kypros Satellites Limited to grant sub-licenses to the Company with respect to satellites in eight (8) geostationary orbital slots located above the equator ("the original slot agreement"). The sub-license entitled the Company to locate satellites in each of these slots. The orbital slots were held by the Republic of Cyprus and licensed to KyprosSat.

The Company is pleased to announce that it has entered into a replacement agreement with KyprosSat providing enhanced rights with respect to those contained in the original orbital slot agreement.

The replacement agreement eliminates activation fees for some of the filings, gives access to increased spectrum at each orbital location, enables NewSat to exchange its eight orbital slots from the significant pool of global filings licensed to KyprosSat and maintained by the Republic of Cyprus and provides access to further slot filings from that pool.

NewSat will pay a combination of fees and shares to KyprosSat for the enhanced agreement.

Orbital slots are a combination of a filed frequency, for example Ka-band and its orbital position. Each orbital slot is capable of supporting one or more satellites, depending upon frequency utilisation and coordination with other satellites in the vicinity. The management of the orbital slots, as per the enhanced agreement with KyprosSat, will be an ongoing process for NewSat. NewSat has a published strategy to launch multiple future satellites, so judicious management of its orbital slots in this manner will provide valuable support for this strategy into the future.

Commenting on this agreement with KyprosSat, NewSat CTO, David Ball said:

"NewSat is proud of its existing relationship with the Republic of Cyprus through its association with KyprosSat. This important agreement protects NewSat against the expiry of orbital slot filings and provides significant flexibility in pursuing business opportunities for the orbital placement of future Jabiru satellites.

Noting the recent news reports of the Bangladesh Government's leasing of the single orbital slot from Russia over 15 years at the cost of US\$28 million*, I am confident that NewSat's replacement agreement with KyprosSat provides substantial shareholder value as well as supporting the ongoing development of NewSat's Jabiru Satellite Program."

(*Source bdnews24.com)

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Jabiru-1 project financing

As previously announced on 25 August 2014, NewSat obtained a formal waiver from the lenders for an alleged technical breach of its Jabiru-1 satellite project financing facilities. The waiver was subject to NewSat complying with a number of conditions, some of which have been satisfied. The Company and the lenders remain in confidential, incomplete and ongoing discussions concerning how the outstanding conditions, including the requirement that NewSat raise further equity or mezzanine financing, may be best satisfied.

NewSat will update the market on developments with the lenders as appropriate.

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 teleports 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 proposes to expand 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, launched in 2014, will deliver highly targeted coverage across Australasia. For more information, please visit www.newsat.com

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