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The Manager
Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

SSG Enters Binding Letter of Intent with leading Pan-African Communications Company

Transaction Highlights:

- Sky and Space Global UK (SSG) has entered a binding Letter of Intent with a leading Pan-African communications company, Sat-Space Africa Ltd
- Sat-Space has committed to:
 - providing ground based infrastructure support for SSG's initial phase of 2-3 nano-satellites to be built, launched and tested by mid-2017
 - purchasing all available communication bandwidth that SSG can provide from its initial nano-satellite platform, at market competitive pricing
- Sat-Space has existing operations and infrastructure in 27 African countries
- SSG estimates that once its equatorial constellation crosses the 100 nano-satellite threshold, it will be able to provide approximately 1,000,000,000 minutes/year for sale to the phone and messaging market, plus bandwidth of 10,000 mhz/year
- This first equatorial constellation once fully operational would have the potential to deliver SSG revenues of circa A\$300-500 million per annum, based on competitive rates
- Sat-Space will also allow SSG to use their ground control stations during the initial 3 nano-satellite pilot phase by mid-2017, as part of SSG's testing operations, delivering multi-million dollar cost savings to SSG and a fast track to commercialisation
- Sat-Space and SSG will also collaborate over the next 12 months to implement an operational communication platform for the Sat-Space network, as part of SSG's initial 2-3 nano-satellite pilot program

Burleson Energy Limited (**BUR**) is pleased to announce that the Nano-Satellite technology company it is acquiring, Sky and Space Global (UK) Ltd (**SSG**), has executed a binding Letter of Intent (**LOI**) with leading Pan-African communications company Sat-Space Africa (**Sat-Space**) (<http://www.sat-space.net/>). Under the terms of the LOI, Sat-Space has agreed to purchase all available communication

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bandwidth that SSG can provide from its equatorial nano-satellite constellation to service their African customer base, at market competitive prices.

Pursuant to the LOI, Sat-Space will allow SSG to use their ground control stations during the initial 2-3 nano-satellite pilot phase during H1 2017 as part of the communication platform testing programs, which will deliver multi-million dollar cost savings for SSG and a fast track path for commercialisation of the network. Sat-Space has also agreed to support and to provide assistance in the built-out of SSG's communications project in Africa, include regulations, required approvals and allocation of channels.

SSG Completes Another Critical Milestone – LOI with Pan-African Telecommunications Provider

The execution of this LOI follows closely on the execution of the binding agreement with the Danish nanosatellite construction company GomSpace, as announced on 7 March 2016. The Sat-Space LOI is further validation of the material progress on key operational and commercial milestones by the SSG team over the past 3 months.

Under specific terms of the LOI, Sat-Space has committed to providing critical support, expertise and infrastructure to SSG during its pilot phase operations over the next 12 months, which equates to multi-million dollar cost savings to SSG on using the Sat-Space ground control stations alone. Sat-Space currently has operations across 27 countries in Africa.

Through securing access to Sat-Space's ground control stations across Africa, SSG has completed a significant step towards fast tracking SSG's commercial pilot phase and strategy to disrupt the multi-billion dollar global satellite communications market. SSG plans to launch its first 2-3 Nano-Satellites for its pilot phase by mid-2017 to form an initial constellation and communication network to provide a significantly cheaper platform for voice, data and instant messaging services.

SSG initial equatorial constellation of approximately 100 nano-satellites is expected to produce bandwidth of approximately 1,000,000,000 minutes per annum for sale into the phone and messaging market, and bandwidth of 10,000 mhz. This first equatorial constellation once fully operational would have the potential to deliver SSG revenues of circa A\$300-500 million per annum, based on competitive rates.

The SSG founders and executive team are very confident of providing Sat-Space communication services they require at very market competitive pricing, through the implementation of SSG's highly disruptive nano-satellite technology and SSG's proprietary software and operating systems.

Statement from SSG's CEO Mr. Meir Moalem:

"We are pleased with this vote of confidence from our first telecommunications industry customer. Our work programs with Sat-Space over the coming 12 months will help us tailor our system and services to the market and potential customers at an early stage.

We are working very hard on all fronts: we have executed a contract for the construction of our nano-satellites, we are developing the commercial aspect and we are close to securing a launch date in 2017. It is very satisfying to see all the hard work undertaken in the last 2 years is now coming to fruition in 2016".

About Sky and Space Global (UK) Ltd

World Experts and Highly Disruptive Business Plan

SSG, a UK incorporated company with a European Research and Development centre of Aerospace and Satellite Industry Experts, plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The core SSG business is to construct a communication infrastructure based on nano-satellite technology and develop the highly complex and sophisticated software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give a global coverage.

The SSG business strategy is to provide low cost, nano-satellite communication coverage on an anywhere to everywhere base with relatively low maintenance costs. Due to the experience and expertise of the SSG founders in the aerospace industry, the business will be able to develop with inherent upgrading capabilities within short intervals, utilizing their unique IP-nanosat software protocols.

About Sat-Space Africa

Sat-Space Africa is a fast growing IP connectivity company that combines the latest Satellite and IP technology with our strong footprint in Africa. Using the Fiber optic, Satellite and wireless networks Sat-Space Africa is able to supply fast and dependable IP connectivity solutions.

The Sat-Space Africa communication solution includes Satellite Solutions on C band, Ku band and Ka band as well as an MPLS network to connect major locations in the continent including last mile solutions. Sat-Space offers installation, ground service and licensing for almost all African countries.

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