

INDOOR SKYDIVE AUSTRALIA GROUP LIMITED

ABN: 39 154 103 607

Non-Renounceable Rights Issue Offer 12 November 2014

Details of a 2 for 15 pro rata non-renounceable rights issue of Indoor Skydive Australia Group Limited ordinary shares at an offer price of \$0.50 per new share.

This Rights Issue Closes at 5.00 pm
(Sydney Time) on 21 November 2014

This is an important document which
requires your immediate attention.

It is accompanied by an Entitlement
and Acceptance Form for you to
subscribe for new ordinary shares in
Indoor Skydive Australia Group
Limited.

NOT FOR DISTRIBUTION OR RELEASE IN THE
UNITED STATES OR TO, OR FOR THE ACCOUNT
OR BENEFIT OF, U.S. PERSONS



CONTENTS

A.	Key Dates	i
B.	Chairman's Letter	1
C.	How to Apply	3
D.	ASX Announcement and Investor Presentation	11
E.	Key Risks	32
F.	Important Information	34
G.	Glossary	44
H.	Corporate Directory	46

A. KEY DATES

Event	Date
Shares quoted on an 'ex' basis	Thursday, 6 November 2014
Record Date for the Rights Issue	7.00pm (Sydney time) Monday, 10 November 2014
Rights Issue offer period opens	Wednesday, 12 November 2014
Rights Issue offer period closes	5.00pm (Sydney time) Friday, 21 November 2014
Shares quoted on deferred settlement basis	Monday, 24 November 2014
Issue of New Shares under the Rights Issue	Thursday, 27 November 2014
Despatch of holdings statements	Thursday, 27 November 2014
Normal trading of New Shares issued under the Rights Issue expected to commence on ASX	Friday, 28 November 2014

Note: All dates and times in this Offer Booklet refer to the date and time, respectively, in Sydney. ISA Group reserves the right to amend any or all of these dates and times without notice subject to the Corporations Act 2001, the ASX Listing Rules and other applicable laws. In particular, ISA Group reserves the right to extend the closing date of the Rights Issue, to accept late applications under the Rights Issue (either generally or in particular cases) and to withdraw the Rights Issue without prior notice. Any extension to the closing date will have a consequential effect on the issue date of New Shares.

Cooling off rights do not apply to applications submitted under the Rights Issue or to an investment in the New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Rights Issue are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Rights Issue opens.

12 November 2014

Dear Shareholder

ISA Group Equity Raising – Rights Issue

On behalf of Indoor Skydive Australia Group Limited (**ISA Group**), I am pleased to invite you to participate in a 2 for 15 non-renounceable pro-rata rights issue of new ISA Group ordinary shares (**New Shares**) at an offer price of \$0.50 per New Share (**Rights Issue**). New Shares issued under the Rights Issue will rank equally with existing ISA Group ordinary shares.

The Rights Issue forms part of the equity raising up to \$17 million conducted by ISA Group as announced to the market on 3 November 2014 (**Capital Raising**). A placement of New Shares to institutional investors conducted between 30 October 2014 and 31 October 2014 also forms part of the Capital Raising (**Placement**).

The net proceeds of the Capital Raising will be used to replace the current convertible note which partially funds the Gold Coast Facility and to support the acceleration of the development of the Perth Facility.

ISA Group received a strong response to the Placement from institutional investors. The Placement was fully taken up and raised approximately \$11.1 million at an issue price of \$0.50 per New Share.

This booklet (**Offer Booklet**) relates to the Rights Issue which is not underwritten, which is expected to raise up to a further \$5.9 million. The offer price of \$0.50 per New Share under the Rights Issue is the same as the issue price paid by institutional investors under the Placement.

The structure of the equity raising is in the form of a pro-rata right issue, providing the opportunity for all eligible shareholders to participate.

This booklet contains important information about the Rights Issue under the following headings:

- Key Dates;
- How to Apply;
- ASX Announcement and Investor Presentation;
- Key Risks; and
- Important Information.

With this booklet you will also find your personalised Entitlement and Acceptance Form which details your rights, to be completed in accordance with the instructions provided on the Form and the instructions under the heading "How to Apply" in this booklet.

It is important to note that the Rights Issue closes at 5.00pm (Sydney time) on Friday, 21 November 2014. To participate, you need to ensure that your completed Entitlement and Acceptance Form and your Application Money is received by the ISA Group Share Registry before this time and date OR you have paid your application monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions under the heading "How to Apply" in this booklet for further information.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those rights they do not take up.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Rights Issue.

On behalf of the Board of ISA Group, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.

Yours sincerely,



Lt Gen (Retd) Ken Gillespie
AC, DSC, CSM
Chairman

NOT FOR THE DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Forward-looking statements, opinions and estimates provided in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This booklet, including the ASX announcements produced in it and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**)) (**U.S. Person**). None of this booklet, the ASX announcements produced in it nor the Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, U.S. Persons. Neither the rights nor New Shares offered in the Rights Issue have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The rights may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, a U.S. Person except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

C. HOW TO APPLY

1. The Rights Issue

Eligible Shareholders are able to apply for 2 New Shares for every 15 existing Shares held as at 7.00pm Sydney time on the Record Date of Monday, 10 November 2014 at the Offer Price of \$0.50 per New Share.

The Rights Issue opens at 10.00am Sydney time on Wednesday, 12 November 2014 and will close at 5.00pm AEST Sydney time on Friday, 21 November 2014.

New Shares issued pursuant to the Rights Issue will be fully paid and rank equally in all respects with existing Shares from issue. New Shares will be entitled to any dividends with a record date after the date of issue on the same basis as existing Shares. As the New Shares under the Rights Issue will be issued after the record date for the 2014 Annual General Meeting shareholders will not be entitled to exercise voting rights in relation to New Shares at the 2014 Annual General Meeting. The rights and liabilities attaching to the New Shares are set out in the Constitution of ISA Group, a copy of which is available at www.indoorskydiveaustralia.com.au.

The Rights Issue is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Rights Issue. As a result, it is important for you to read carefully and understand the information on ISA Group and the Rights Issue made publicly available, prior to accepting all or part of your Entitlement. In particular, please refer to the information in this Offer Booklet, the ISA Group 2014 Annual Report, the ISA Group Interim Financial Report as at 31 December 2013 and other announcements (including made after publication of this Offer Booklet) made available at www.indoorskydiveaustralia.com.au or www.asx.com.au.

The Rights Issue is not underwritten.

2. Your Entitlement

Your Entitlement is set out in the personalised Entitlement and Acceptance Form accompanying this Offer Booklet and has been calculated as 2 New Shares for every 15 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

All Eligible Shareholders who apply for New Shares will, at a minimum, have their applications satisfied up to their Entitlement, unless all or part of the Rights Issue is withdrawn.

Cooling off rights do not apply to applications submitted under the Rights Issue or to an investment in the New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Rights Issue are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Rights Issue opens.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see the definition of Eligible Shareholder in the 'Important information' section).

The Rights Issue is only being made to Eligible Shareholders (see definition of Eligible Shareholder in the 'Important information' section). ISA Group is not required to determine whether or not any

C. HOW TO APPLY

registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Rights Issue). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States. ISA Group assumes no obligation to advise you on any foreign laws.

3. Consider the Rights Issue carefully in light of your particular investment objectives and circumstances

The information in this Offer Booklet does not constitute a recommendation to acquire New Shares or financial product advice. This Offer Booklet has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs of any applicant for New Shares. Before applying for New Shares, you should consider whether such an investment is appropriate to your particular needs, considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances. An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of ISA Group, including possible loss of income and principal invested. ISA Group does not guarantee any particular rate of return or the performance of ISA Group, nor does it guarantee the repayment of any capital from ISA Group or any particular tax treatment. In considering an investment in New Shares, you should also refer to the “Key Risks” in Section E of this Offer Booklet. If you are in any doubt about the Rights Issue or the contents of this Offer Booklet, you should consult your stockbroker, accountant, financial adviser or other independent professional adviser.

4. Options available to you

If you are an Eligible Shareholder, you may take any of the following actions:

- (a) take up all or part of your Entitlement (see Section 5 below);
- (b) if you apply for all of your Entitlement, you may apply for an oversubscription of your Entitlement to participate in the Shortfall (if any) (see Section 6 below); or
- (c) do nothing and let your Entitlement lapse (see Section 7 below).

5. If you wish to take up all or part of your Entitlement

If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must complete and return the personalised Entitlement and Acceptance Form provided to you with this Offer Booklet with the requisite Application Monies calculated at \$0.50 for each New Share or payment must be made either via Bpay® or by following the instructions on your personalised Entitlement and Acceptance Form.

Your personalised Entitlement and Acceptance Form will detail your Entitlement to New Shares. You should complete the form in accordance with the instructions set out on the reverse side of the form.

Please ensure that the completed Entitlement and Acceptance Form, together with your Application Monies is received by the Registry **by no later than 5.00 pm Sydney time on Friday, 21 November 2014** or such later date as ISA Group advises. You do not need to return your Entitlement and Acceptance Form if you have made a payment via Bpay®.

6. Participating in Shortfall (if any)

If you are an Eligible Shareholder and you wish to take up all of your Entitlement, you may apply for additional New Shares forming part of the Shortfall (if any) (being New Shares attributable to Entitlements not taken up by Eligible shareholders and to those that would otherwise have been available to Ineligible Shareholders). To participate in the Shortfall you must complete the personalised Entitlement and Acceptance Form provided to you with this Offer Booklet and specify the number of New Shares that you wish to apply for out of any Shortfall.

Oversubscriptions to participate in any Shortfall will only be accepted from Eligible Shareholders who have applied to take up all of their Entitlement.

ISA Group does not guarantee that there will be any Shortfall. ISA Group reserves the right at its sole discretion to issue New Shares from any Shortfall or to decline or scale back any application for New Shares to be issued out of any Shortfall.

In particular, in the event that demand for shortfall exceeds the number of New Shares available for allocation, the Board will implement a pro-rata scale-back of applications for shortfall, based on existing shareholdings as at the Record Date. To the extent any New Shares remain unallocated, ISA Group will seek to place those shares with certain strategic and sophisticated investors as soon as possible after the close of the Rights Issue and in any event, within three (3) months of the close of the Rights Issue.

Your completed Entitlement and Acceptance Form must be accompanied by the requisite Application Monies calculated at \$0.50 for each New Share or payment must be made either via Bpay® or by following the instructions on your Entitlement and Acceptance Form.

Please ensure that the completed Entitlement and Acceptance Form, together with your Application Monies is received by the Registry **by not later than 5.00pm Sydney time on Friday, 21 November 2014** or such later date as ISA Group advises. You do not need to return your Entitlement and Acceptance Form if you have made payment via Bpay®.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Rights Issue (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by ISA Group). No interest will be paid to applicants on any Application Monies received or refunded.

7. If you do nothing:

If you are an Eligible Shareholder and you do nothing **by 5.00pm Sydney time on Friday, 21 November 2014**, being the closing date of the Rights Issue, your Entitlements will lapse.

By allowing your Entitlements to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage holding in ISA Group will also be diluted.

Your Entitlement to participate in the Rights Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

8. Payment

You can pay in the following ways:

- (a) by Bpay®; or
- (b) by cheque or bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

ISA Group will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, ISA Group will treat you as applying for your full Entitlement and as many additional New Shares by way of oversubscription to any Shortfall as your payment will pay for.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Rights Issue (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by ISA Group). No interest will be paid to applicants on any Application Monies received or refunded.

9. Payment by Bpay®

For payment by Bpay®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make payment via Bpay® if you are the holder of an account with an Australian financial institution that supports Bpay® transactions.

If you are paying by Bpay®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid. Please note that should you choose to pay by Bpay®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 12 below; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered by your Application Monies.

It is your responsibility to ensure that your Bpay® payment is received by the Registry by no later than 5.00pm Sydney time on Friday, 21 November 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

ISA Group takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Rights Issue closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

10. Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "ISA Group Rights Issue" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.50 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry **by no later than 5.00pm (Sydney time) on Friday, 21 November 2014**. Cash payments will not be accepted. Receipts for payment will not be issued.

11. Mailing or hand delivery of Entitlement and Acceptance Forms

To participate in the Rights Issue, your payment must be received no later than the close of the Rights Issue, being **5.00pm Sydney time on Friday, 21 November 2014**. If you make payment via cheque, bank draft or money order, you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address:

Indoor Skydive Australia Group Limited
ISA Group Rights Issue
c/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Hand Delivery Address:

Indoor Skydive Australia Group
Limited
ISA Group Rights Issue
c/- Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

Entitlement and Acceptance Forms and Application Monies will not be accepted at ISA Group's registered or other offices, or other offices of the Registry.

12. Representations made on acceptance of the Rights Issue

By completing and returning your personalised Entitlement and Acceptance Form or making payment by Bpay® you will be deemed to have acknowledged, agreed, represented and warranted to ISA Group that you, and each person on whose behalf you are acting:

- (a) acknowledge that you have fully read and understood both this Offer Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- (b) agree to be bound by the terms of the Rights Issue, the provisions of this Offer Booklet, and the Constitution of ISA Group;
- (c) authorise ISA Group to register you as the holder(s) of New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once ISA Group receives your Entitlement and Acceptance Form or any payment of Application Monies via Bpay®, you may not withdraw your application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via Bpay®, at \$0.50 per New Share;
- (h) authorise ISA Group, the Lead Manager, the Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this Offer Booklet and your Entitlement and Acceptance Form is not a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs or circumstances;
- (k) acknowledge that this Offer Booklet is not a prospectus or disclosure document and does not contain all of the information that you may require in order to assess an investment in ISA Group and is given in the context of ISA Group's past and ongoing continuous disclosure announcements to ASX;
- (l) acknowledge the statement of risks in the "Key Risks" section of this Offer Booklet and that investments in ISA Group are subject to risk;

C. HOW TO APPLY

- (m) acknowledge that none of ISA Group, the Lead Manager, the Registry or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantee the performance of ISA Group, nor do they guarantee the repayment of capital from ISA Group;
- (n) agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date;
- (o) authorise ISA Group to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (p) represent and warrant (for the benefit of ISA Group, the Lead Manager, the Registry and their respective related bodies corporate and affiliates), that the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and you are eligible under all applicable laws to receive an offer under this Rights Issue without a prospectus, disclosure document or any lodgement, filing, registration or qualification;
- (q) represent and warrant that your acceptance of the Rights Issue does not breach any laws in a jurisdiction outside Australia;
- (r) acknowledged, agreed, represented and warranted that you are an Eligible Shareholder or otherwise eligible to participate in this Rights Issue and:
 - (i) you are not in the United States and you are not acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Rights Issue and under any applicable laws and regulations;
 - (ii) you understand and acknowledge that neither the Entitlements or the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. You further understand and acknowledge that the Entitlements and the New Shares may only be offered, sold and resold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
 - (iii) you are subscribing for Entitlements and/or purchasing New Shares outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
 - (iv) you and each person on whose account you are acting have not and will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Rights Issue to any person in the United States;
 - (v) you are not acting for the account or benefit of a person in the United States; and

- (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an Entitlement and Acceptance Form is not in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form, or any information relating to the Rights Issue to any such person in the United States.

13. No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

ISA Group reserves the right to withdraw the Rights Issue at any time before the issue of New Shares to Eligible Shareholders, in which case ISA Group will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

14. Confirmation of your application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares from this Rights Issue, and manage the standing instructions the Registry records on your holding on the Registry website on www.investorserve.com.au. To access the Registry records you will need your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

15. Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Registry on 02 9290 9600. If you have any further questions, you should contact your stockbroker, accountant, financial adviser or other independent professional adviser.



Indoor Skydive Australia Group Limited
ACN 154 103 607

ASX/Media Release
Sydney, Australia – 3 November 2014

ISA GROUP TO RAISE UP TO \$17M TO ACCELERATE PERTH PROJECT AND REFINANCE CONVERTIBLE NOTE

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) today announced an equity capital raising of up to \$17 million to support the acceleration of the Australian roll out plan through the development of our Perth Facility in parallel with the Gold Coast Facility and to refinance the current convertible note which partially funds the development of the Gold Coast Facility.

Key Points

- ISA Group to raise up to \$17 million in equity capital through an institutional placement (**Institutional Placement**) and rights issue (**Rights Issue**) (together, the **Offer**).
- The Institutional Placement has been successfully completed and raised \$11.1 million through the issue of 22,124,845 fully paid ordinary shares (**Shares**) at \$0.50 per Share pursuant to Listing Rules 7.1 and 7.1A.
- Investor interest in the Institutional Placement was strong and ISA Group welcomes Acorn Capital to our register.
- The Rights Issue is a non-underwritten, non-renounceable 2 for 15 pro rata Rights Issue to raise up to \$5.9 million at \$0.50 per new Share. Shares issued under the Institutional Placement will not be eligible to participate in the Rights Issue.
- The Rights Issue will enable all eligible shareholders at the record date to participate in the Offer.
- Funds raised will be used to support the construction of a new facility in Perth, Western Australia which has been accelerated for development in parallel with the Gold Coast Facility.
- Funds raised will also be used to partially fund the Gold Coast Facility through the refinancing of the current convertible note facility.
- Corporate capabilities have been strengthened to complete the Australian tunnel roll out and support the investigation of opportunities globally with a particular focus on South East Asia.

Institutional Placement

ISA Group has today come out of a voluntary trading halt which allowed Veritas Securities Limited (Veritas), the Lead Manager of the Offer, to conduct an Institutional Placement process. The Board is committed to engaging with institutional investors as it views the presence of institutional investors on our register as an important element for the medium term expansion of ISA Group and supporting ISA Group's liquidity.

IndoorSkydiveAustralia.com.au

Indoor Skydive Australia Group Limited: ACN 154 103 607
p: +61 (0)2 9325 5960 | 2/201 Miller Street, North Sydney NSW 2060 | Australia

The Institutional Placement was strongly supported by new and existing ISA Group institutional investors and raised \$11.1 million through the placement of 22,124,845 Shares at an offer price of \$0.50. The offer price under the Institutional Placement of \$0.50 per new Share represents a discount of 16.5% to the 30 day VWAP to 29 October 2014.

Rights Issue

Under the Rights Issue, eligible shareholders at the record date of 10 November 2014 at 7pm (Sydney time) (**Record Date**) are able to subscribe for 2 new Shares for each 15 Shares held at an offer price of \$0.50 (being the same as the offer price for the Institutional Placement). Eligible shareholders can choose to take up their entitlement in full, in part or not at all. They may also apply for additional shares in excess of their entitlement (**Additional Shares**). Additional Shares will only be available where there is a shortfall between applications received from eligible shareholders and the number of new Shares to be issued under the Rights Issue and at the discretion of the ISA Group Board. Additional Shares will be issued at the offer price of \$0.50 per new Share.

Eligible shareholders are those shareholders who, among other things, have a registered address in Australia or New Zealand on the Record Date.

ISA Group continues to value the ongoing support from its shareholder base and considers the Placement and Rights Issue as the most appropriate processes to enable shareholders to participate in the capital raise.

The offer price under the Rights Issue of \$0.50 per new Share represents a discount of 16.5% to the 30 day VWAP to 29 October 2014 and is equal to the offer price under the Institutional Placement.

Shareholder approval is not required in relation to the Offer.

Purpose of the Offer

The funds raised under the Offer will be used to support the acceleration of the development of the Perth Facility and to partially fund the Gold Coast Facility through the refinancing of the current convertible note with Birkdale Holdings (QLD) Pty Ltd (**Birkdale**).

ISA Group continues to focus on its Australian roll out program and is now in a position to accelerate the Perth Facility for development in conjunction with the Gold Coast Facility. An offer to lease has been entered into for the preferred site and design of the facility is underway. It is anticipated that the Perth Facility will comprise a 14ft glass flight chamber catering to the professional market as well as first time flyers. The facility will also provide for associated flyer amenities to complete the flight experience. The facility will be positioned to take advantage of the strong military presence in Perth and the FIFO commuter behaviours.

IndoorSkydiveAustralia.com.au

Indoor Skydive Australia Group Limited: ACN 154 103 607
p: +61 (0)2 9325 5960 | 2/201 Miller Street, North Sydney NSW 2060 | Australia

On 10 December 2012, ISA Group entered into a 2 year convertible note with Birkdale, an entity associated with director, Steve Baxter (**Convertible Note**). The Convertible Note provides funding of up to \$5.9 million of which \$4.1 million is drawn down as at today. The parties' intention at the time of entering into the Convertible Note was to utilise it to provide finance during the initial development of the company and while a trading history was established to facilitate the implementation of appropriate bank debt. In May 2014, the conversion date and the term of the Convertible Note was each extended by 6 months such that Birkdale's right to exercise the option to convert any outstanding amounts under the facility begins on or after 10 December 2014.

The ISA Group Board has considered various financing options and chosen to refinance the Convertible Note with equity raised under the Offer. The timetable proposed for the Offer will enable the Convertible Note to be fully repaid before the right of conversion becomes available.

ISA Group is now positioned to deliver on the Australian tunnel roll out and to pursue global opportunities. We have strengthened our corporate capabilities through the appointment of Stephen Burns as Chief Financial Officer and implemented an internal Project Management Office to enable the development of multiple facilities and stages of development in parallel. Our strengthened capabilities also support the investigation of opportunities globally with a particular focus on South East Asia.

Rights Issue Timetable

Record Date	7pm Monday 10 November 2014
Rights Issue offer period opens	Wednesday 12 November 2014
Rights Issue offer period closes (5pm)	Friday 21 November 2014
New share commence trading on ASX	Friday 28 November 2014

**All times refer to Sydney time and may be subject to change.*

Further Information on the Rights Issue

Further details of the Rights Issue, including details of the use of proceeds, the timetable and the key risks associated with the Rights Issue and ISA Group, are included in the investor presentation and offer booklet released to ASX and available on ISA Group's website. The offer booklet, which includes the investor presentation, is expected to be dispatched to eligible shareholders by Wednesday 12 November 2014.

D. ASX ANNOUNCEMENT AND INVESTOR PRESENTATION

ASX Listing Rule 3.10.5A Information

In accordance with the requirements of ASX Listing Rule 3.10.5A, the following information is provided:

- (a) A total of 22,124,845 Shares were issued under the Institutional Placement. A total of 8,849,938 shares were issued pursuant to ASX Listing Rule 7.1A (representing 8% of the post- Institutional Placement capital) and 13,274,907 shares were issued pursuant to Listing Rule 7.1 (representing 12% of the post- Institutional Placement capital).

The dilutive effect of the Institutional Placement on existing shareholders of ISA Group is as follows:

	Shares	Dilution %
Shares on issue pre Placement	88,499,378	
Shares issued under LR 7.1	13,274,907	15%
Shares issued under LR 7.1A	8,849,938	10%
Total Shares on issue post Placement	110,624,223	
Total dilution effect		25%

The percentage of post- Institutional Placement capital held (in aggregate) is as follows

	% of issued capital
Pre- Institutional Placement shareholders who did not participate in the Institutional Placement	79.9%
Pre- Institutional Placement shareholders who did participate in the Institutional Placement	20.1%
Participants in the Institutional Placement who were not previously shareholders	70.5%

- (b) The Institutional Placement has been undertaken in addition to the Rights Issue. ISA Group considered the Institutional Placement as an efficient mechanism for raising funds and introducing institutional investors onto the register which ISA Group views as an important element for the medium term expansion of the Company and supporting ISA Group's liquidity.

D. ASX ANNOUNCEMENT AND INVESTOR PRESENTATION

- (c) There were no underwriting arrangements in connection with the Institutional Placement.
- (d) Veritas has been appointed as lead manager in connection with the Offer. Under that appointment Veritas will be paid a capital raising fee equal to 4% of the capital raised under the Institutional Placement and from any shortfall to the Rights Issue that is placed by Veritas and a management fee which is equal to 1% of the capital raised under the Institutional Placement excluding the placement of any shortfall.

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

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**)) (**U.S. Person**). This announcement may not be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, U.S. Persons. Neither the rights nor New Shares offered in the Rights Issue have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The rights may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, a U.S. Person except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

ENDS

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

Indoor Skydive Australia Group Limited was established in 2011 to build and operate a number of indoor skydiving facilities across the Australian region. 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.indoorskydiveaustralia.com.au

Telephone: +61 2 9325 5900 fax +61 2 9325 5950

Wayne Jones, CEO, +61 2 9325 5900 or wayne@indoorskydiveaustralia.com.au

Fiona Yiend, Company Secretary, +61 2 9325 5900 or fiona@indoorskydiveaustralia.com.au

IndoorSkydiveAustralia.com.au

Indoor Skydive Australia Group Limited: ACN 154 103 607
p: +61 (0)2 9325 5960 | 2/201 Miller Street, North Sydney NSW 2060 | Australia



A visionary adventure leisure company formed to build and operate world class indoor skydiving facilities across the region

Capital Raising Presentation
3 November 2014



Disclaimer

This presentation has been prepared by Indoor Skydive Australia Group Limited (ISA Group). It provides general and summarised background information about the Company's activities. The presentation is current at the date of this presentation. The information does not purport to be a detailed report and the background should be read in conjunction with ISA Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX). This detail is available at www.asx.com.au.

This presentation is for information purposes only. It is not a prospectus, product disclosure statement or other offer document under Australian law, or the law of any other jurisdiction. This presentation is not a financial product or investment advice, a recommendation to acquire ISA Group securities, and it does not provide accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs. Individuals should seek legal and taxation advice appropriate to their jurisdiction. ISA Group is not licensed to provide financial product advice in respect of ISA Group securities. Cooling off rights do not apply to the acquisition of ISA Group securities.

Past performance and pro forma financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future performance or condition. Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future performance. The historical information included in this presentation is, or is based on, information that has previously been released to the market. All references to dollars are in Australian currency unless otherwise stated.

Forward looking statements, opinions and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warrant or assurance (express or implied) is given that the occurrence of events expressed or implied in any forward looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based.

This presentation is not, and should not be considered, an offer or an invitation to acquire ISA Group securities and does not form any part of any contract for the acquisition of ISA Group securities. Eligible shareholders will be entitled to participate in the entitlement offer referred to herein under the offer booklet dated 12 November 2014. Eligible shareholders who wish to acquire shares under the entitlement offer should consider the offer booklet in deciding whether to apply under the entitlement offer.

The distribution of this presentation in jurisdictions outside of Australia may be restricted by law and any such restrictions should be observed. This presentation may not be distributed or released in the United States.





1. Overview
2. Details of the Offer
3. Purpose of the Capital Raising
4. Strategy
5. Positioning for Growth
6. iFly Downunder

1. Overview

On 30 October 2014, ISA Group entered into a trading halt to enable a capital raising to:

- Support the **acceleration** of the Australian Tunnel Roll Out:
 - Perth Facility timing to be brought forward
 - Multiple projects to be developed in parallel
- **Refinance** the current convertible note
 - More optimal funding structure for completion of the Gold Coast Facility
 - Repay all amounts under the convertible note prior to the right of conversion being available
 - Remove any risk of dilution through conversion



2. Details of the Capital Raising



The capital raising comprises of a successfully completed Institutional Placement and a Non-Renounceable Pro Rata 2 for 15 Rights Issue

2. Details of the Capital Raising

Institutional Placement

- Successfully completed on 31 October 2014
- \$11.1 million raised through the issue of 22.1 million new shares at \$0.50
- Institutional Placement made to sophisticated and professional investors
- Appetite for the Institutional Placement was very strong and a number of new institutional investors were welcomed to our register
- Shares issued under the Institutional Placement will not be eligible to participate in the Rights Issue

Rights Issue

- Offer of 2 new shares for every 15 existing shares at \$0.50 per share to raise up to \$5.9m
- Offer available to eligible shareholders who hold shares at the record date of 7.00pm on 10 November 2014
- Eligible shareholders may take up all, part or none of their entitlement
- Eligible shareholders who take up their full entitlement can apply for additional shares
- The offer is non-renounceable and not underwritten

2. Details of the Capital Raising

Offer Price

- Offer price under the Institutional Placement and the Rights Issue is \$0.50
- Discount equals 16.5% over a 30 day VWAP to 29 Oct 2014

Use of Proceeds

- The net proceeds of the capital raising will be used to accelerate the Australian tunnel roll out through the development of the Perth Facility in parallel with the Gold Coast Facility and to refinance the current convertible note which partially funds the development of the Gold Coast Facility.

Application for Additional Shares

- Eligible shareholders who take up their entitlement in full may apply for additional shares in excess of their entitlements at the offer price of \$0.50 per share
- Additional shares will only be available if all eligible shareholders do not take up their whole entitlement under the Offer
- Where applications for Additional Shares exceed shares not taken up under the Rights Issue, applications will be scaled back on a basis which reflects applicants' registered shareholdings as at the record date for the Rights Issue
- Where applications for additional shares are less than the shares not taken up under the Rights Issue ISA Group will seek to place the shortfall with institutional or sophisticated investors within 3 months of the completion of the Rights Issue.

2. Details of the Capital Raising

Ranking

- New shares issued under the capital raising will rank equally with existing shares.
- As the issue date of the new shares is after the record date for ISA Group's 2014 Annual General Meeting, holders of new shares issued under the Rights Issue will not be entitled to exercise a vote at the 2014 Annual General Meeting in respect of the new shares.

Eligible Shareholders

- The Rights Issue is open to eligible shareholders who are persons who:
 - are registered as a holder of ISA Group shares at 7pm 10 November 2014 (Record Date);
 - have a registered address on the ISA Group share register in Australia or New Zealand;
 - are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds ISA Group shares for the account or benefit of such persons in the United States); and
 - are eligible under all applicable securities laws to receive an offer under the Rights Issue.

2. Details of the Capital Raising

Timetable

Event	Date
Institutional Placement process	30 and 31 October 2014
Capital Raising announced via ASX	3 November 2014
ISA Group shares quoted on an 'ex' basis	6 November 2014
Record Date	7pm on 10 November 2014
Rights Issue offer period opens	12 November 2014
Despatch of Offer Booklet and Entitlement and Acceptance Form	12 November 2014
Issue of new shares under the Institutional Placement	12 November 2014
Rights Issue offer period closes, last day for acceptance of application monies	5pm on 21 November 2014
Issue of new shares under the Rights Issue	27 November 2014
Trading expected to commence for new shares issued under the Rights Issue on a normal basis	28 November 2014

3. Purpose of Capital Raising

Acceleration of Australian Roll Out



- Successful completion of the capital raising will enable ISA Group to seek to take advantage of the opportunity to accelerate the Australian Tunnel Roll Out and develop multiple tunnels in parallel.
 - Penrith (completed) – operational on time (early 2014) and performance is in line with or exceeding expectations
 - Gold Coast – construction commenced on time and on track for completion in mid to late 2015
 - Perth – Offer to Lease entered into ahead of schedule. Architectural design underway and, subject to approval times, completion is anticipated for mid 2016.
 - Adelaide – Suitable sites identified and analysed. Preferred sites selected and anticipate proceeding to the next stage ahead of schedule.
 - Melbourne – site identification and investigations underway in line with schedule

3. Purpose of Capital Raising

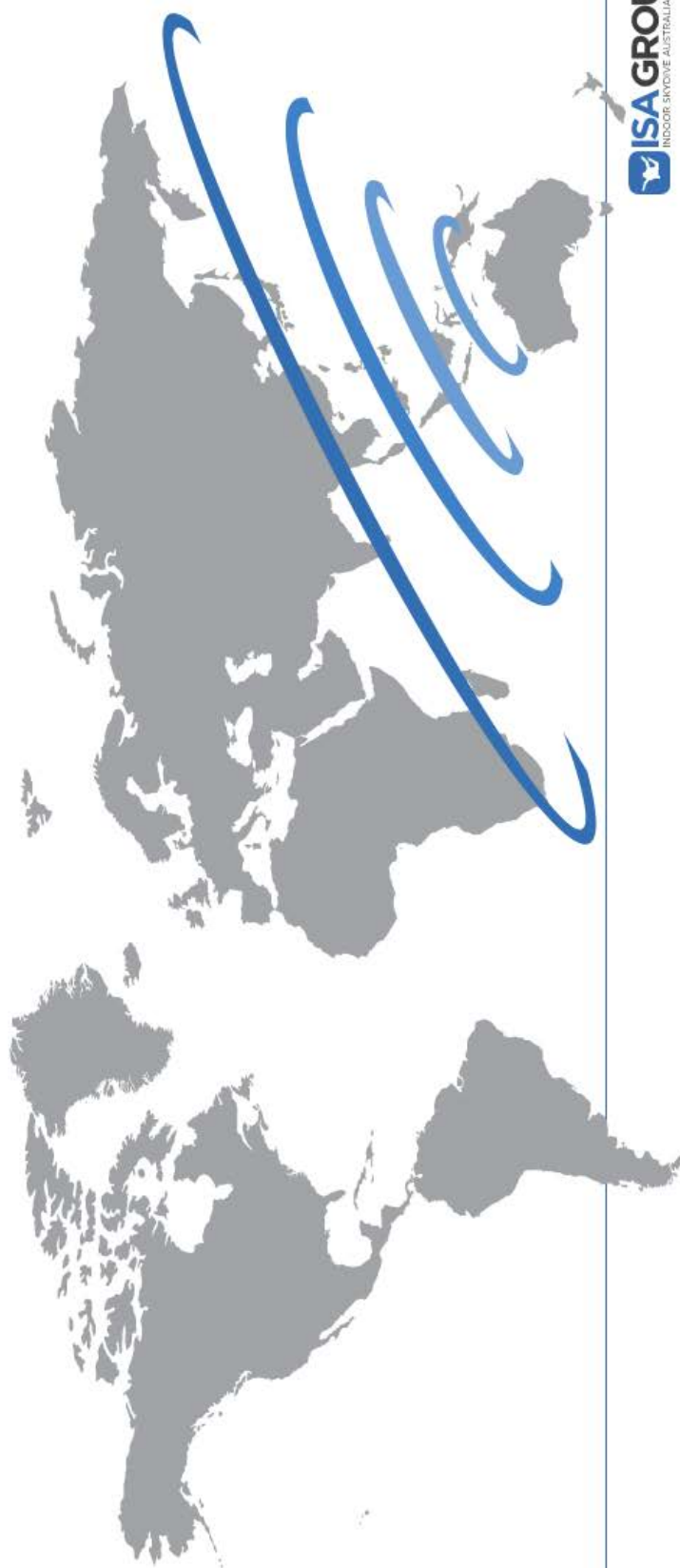
Refinancing of Convertible Note

- Existing funding structure includes a \$5.9m convertible note for the purpose of funding growth while a trading history was established.
- Rational for the funding remains the same and ISA Group continues to engage with traditional debt providers
- Any amount drawn down on the convertible note at 10 December 2014 becomes capable of conversion into equity at \$0.20 per share.
- ISA Group is seeking to replace the convertible note with appropriate equity levels to:
 - Continue to fund growth while a trading history is established
 - Avoid the effects of potential conversion at low price
 - Support the acceleration of the Australian Tunnel Roll Out.

4. Strategy

Two Pronged Approach

- Deliver on Australian Tunnel Roll Out program
- Continuing to explore opportunities globally with particular focus on Asia



5. Positioned for growth

Internal Strengthening

- Corporate capability strengthening for growth and international footprint
- Appointment of Stephen Burns as CFO who is experienced in:
 - establishing operations in multiple jurisdictions including during military service
 - being responsible for the financial performance of operations with diverse geographic footprints such as Airbus Asia Pacific (formerly Australian Areospace)
 - implementing financial controls in high growth environments.
- Senior Leadership Team experienced in Asia Pacific operations
- Board and management well connected globally

Chief Financial Officer

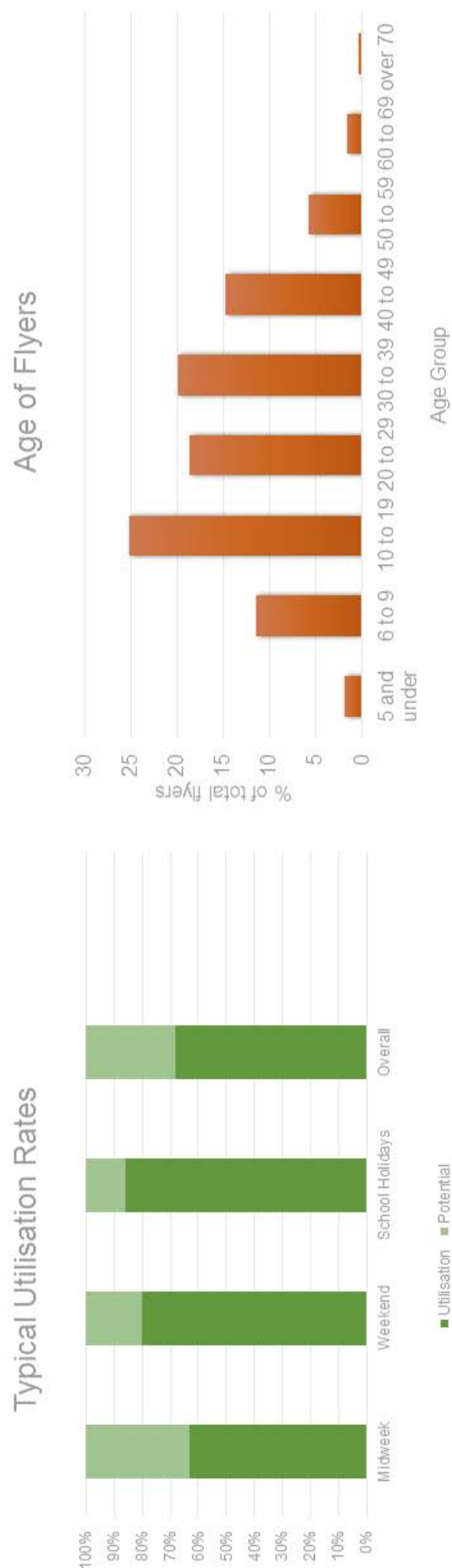
Project Management Office

- Project Management Office implemented to manage multiple projects in parallel
- The mandate of the PMO is to mitigate the risks of time and cost over runs associated with the pre-construction and construction phases through to commencement of operations of each of the new projects undertaken by ISA Group
- SkyVenture partnership under the Exclusive Territory Development Agreement for Australian Tunnel Roll Out
- Preliminary investigations and discussions commenced in Asia

6. iFLY Downunder

Proven International Model

Penrith success to date

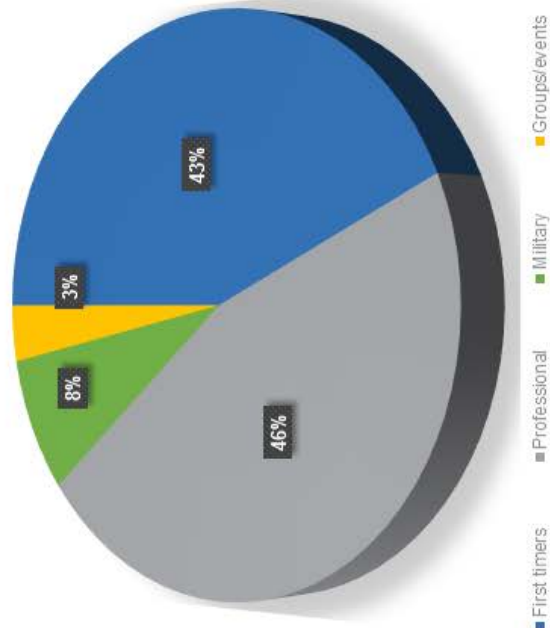


6. iFLY Downunder

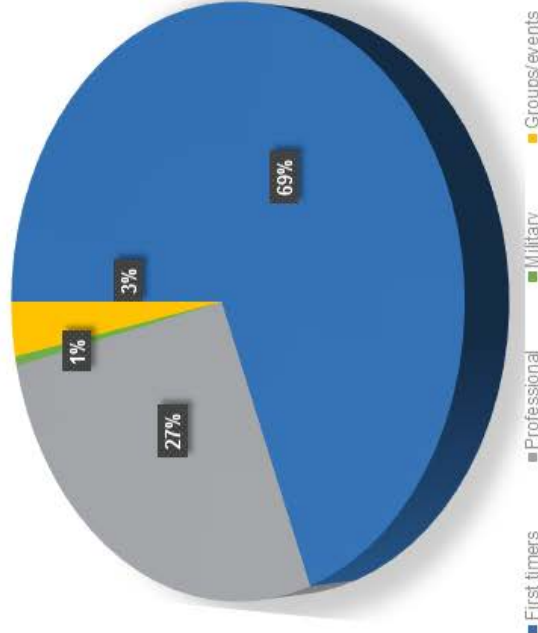
Proven International Model

Penrith success to date

Average Weekday Customer Mix



Average Weekend Customer Mix





E. KEY RISKS

ISA Group is subject to a number of risks that may impact both on its future performance and the market price at which its shares trade. Broadly, these risks can be classified as risks general to investing in the stock market and risks specific to an investment in ISA Group.

The New Shares issued under this Rights Issue do not carry any guarantee of profitability, dividends or the price at which they will trade on the ASX. The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors of which investors need to be aware. However, before taking up any Entitlements or applying for New Shares, the Directors strongly recommend you examine the contents of this Offer Booklet in its entirety, refer to ISA Group's ASX announcements and consult your professional advisers before deciding whether to subscribe for New Shares pursuant to this Offer.

1. Specific risks relating to ISA Group

The following risks are specific to the vertical wind tunnel industry and an investment in ISA Group:

(i) Construction Risk

As with any construction, there are various factors within and outside the ISA Group's control which may delay construction or place at risk the final commissioning and ultimate revenue generating operations of any indoor skydiving facility. Examples of factors outside the control of ISA Group and its suppliers may include, but are not limited to, adverse weather events, industrial action, seismic activity, acts of terrorism or war. Examples of factors within the control of ISA Group and its suppliers may include but are not limited to equipment failures and breakdowns, delays to supply of materials, geological variation to surveys and human resource availability.

(ii) Operating (Revenue) Risk

The ability of ISA Group to generate profits, positive cash flow and to provide for dividends and potentially raise debt funding, relies on the ability to derive revenue from operating indoor skydiving facilities. While ISA Group intends to use internationally successful methods for generating vertical wind tunnel (**VWT**) utilisation and maintain price points, past effectiveness of such marketing and advertising campaign methods cannot guarantee future success.

(iii) Competition Risk

It should be noted that there are several international suppliers of VWT technologies and as such no mechanism to exclusively gain access to a particular territory can be secured. Barriers to entry exist in the form of local regulatory approvals which may take an extended period to gain. As at the time of this Offer, ISA Group is not aware of any competitor which has commenced construction of a VWT in Australia. This provides a significant advantage to ISA Group in terms of time to market and being able to demonstrate to other regulatory authorities compliance of its VWT and operations. There can be no guarantee that this advantage will be maintained in the future.

(iv) Financing Risk

ISA Group notes that for future expansion, it considers the use of debt to be a potential preferred method of financing, to enhance return on shareholders' equity, however this will be subject to operating risk and market conditions at that time and may not be available or not available on terms ISA Group considers satisfactory.

E. KEY RISKS

(v) Future Expansion Risk

The future is uncertain. The ability to grow revenue is limited to the ultimate capacity of the indoor skydiving facilities operated by ISA Group or its subsidiaries. As such the ability to grow revenue once capacity is effectively fully utilised at each indoor skydiving facility, hinges upon the ability of the Company to construct and operate further VWTs, and thus add to total capacity. As identified above, funding for future expansion will be subject to the market and operating conditions at that time.

(vi) Disruption to Business Operations

ISA Group is exposed to a range of operations risks including equipment failures, information technology systems, external services failures and natural disasters. While ISA Group endeavours to take appropriate action to mitigate these operations risks and insure against them, ISA Group cannot completely remove all disruption risk to its business and one or more of these risks may negatively impact its future operational and financial performance.

(vii) Labour Shortages and Inability to Recruit and Retain Labour

Indoor skydiving is an emerging industry and it is possible that there may be shortages of skilled workers for the industry. In a labour constrained market, it is possible that ISA Group may be unable to recruit and retain sufficient labour or be able to sponsor appropriately qualified labour if migration laws change. This may negatively impact ISA Group by limited its ability to retain sufficient staff to undertake potential business, or by causing ISA Group to spend above forecast levels to retain staff.

(viii) Retention of Key Management Personnel

ISA Group's future success depends, in part, on its capacity to retain and motivate existing management personnel as well as attract new management personnel. In particular, ISA Group's performance is dependent on the talents and efforts of key management personnel. The loss of key management personnel could cause material disruption to ISA Group's business and operations in the short to medium term and may have an adverse impact on the financial performance or prospects of ISA Group.

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or its Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its Shares.

2. General Risks

As with all stock market investments, there are risks associated with an Investment in ISA Group. Share prices may rise or fall and the price of Shares may trade below or above the issue price for the New Shares.

General factors that may affect the market price of ISA Group Shares include:

- (a) economic conditions in Australia and internationally;
- (b) investor sentiment and local and international share market conditions;
- (c) changes in interest rates and the rate of inflation;

E. KEY RISKS

- (d) changes in interest rate expectations and inflation rate expectations;
- (e) changes to government regulation, policy or legislation; and
- (f) changes in exchange rates.

F. IMPORTANT INFORMATION

This Offer Booklet and the enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by ISA Group.

The Information is dated 12 November 2014. This Information remains subject to change without notice and ISA Group is not responsible for updating this Information.

There may be additional announcements made by ISA Group after the issue date of this Offer Booklet and throughout the period that the Rights Issue is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by ISA Group (by visiting the ISA Group website at www.indoorskydiveaustralia.com.au or at www.asx.com.au) before submitting your application to take up your Entitlement.

No party other than ISA Group has authorised or caused the issue of this Information, or takes any responsibility or makes any statements, representations or undertakings in this Information.

1. This information is important

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in Part E.

You should consult your stockbroker, accountant, financial adviser or other independent professional adviser to assess whether or not to participate in the Rights Issue.

You can obtain a copy of the Information in this Offer Booklet during the period of the Rights Issue via the ISA Group website at www.indoorskydiveaustralia.com.au or the ASX website at www.asx.com.au. Persons who access an electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Registry on (02) 9290 9600.

ISA Group has applied for the grant by the ASX of official quotation of the New Shares. If ASX does not grant official quotation for the New Shares, ISA Group will not allot any New Shares and all Application Monies will be refunded without interest.

It is expected that normal trading will commence in relation to New Shares issued under the Rights Issue on 28 November 2014. ISA Group disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are quoted on the ASX or before receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by ISA Group or the Registry. ASX accepts no responsibility for any statement in this Offer Booklet.

F. IMPORTANT INFORMATION

2. Eligible Shareholders

This Information contains an offer of New Shares to Eligible Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 10 November 2014;
- (b) have a registered address on the ISA Group share register in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds ISA Group ordinary shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Rights Issue.

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. ISA Group reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

ISA Group may (in its absolute discretion) extend the Rights Issue to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

ISA Group, in its absolute discretion, reserves the right to determine whether a shareholder is an Eligible Shareholder and is therefore able to participate in the Rights Issue, or an Ineligible Shareholder and is therefore unable to participate in the Rights Issue. ISA Group disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by Bpay®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Rights Issue to, any person in the United States.

3. Overseas Shareholders

ISA Group has decided that it is unreasonable to extend the Rights Issue to Ineligible Shareholders having regard to:

- the number of shareholders outside Australia and New Zealand;
- the number and value of New Shares that would be offered to shareholders outside of Australia and New Zealand; and

The cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions. Ineligible Shareholders are not eligible to participate in the Rights Issue due to securities law restrictions on the offer of New Shares in certain jurisdictions. ISA Group will make the

F. IMPORTANT INFORMATION

New Shares in respect of the Entitlements which would otherwise have been available to Ineligible Shareholders available for oversubscription by Eligible Shareholders in the Shortfall.

4. No Cooling-off Rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5. No Rights trading

Rights are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

6. Rounding of Entitlements

Where fractions arise in the calculation of your Entitlement, they will be rounded up to the nearest whole number of New Shares.

7. Shortfall and Oversubscriptions

While ISA Group is confident the Rights Issue will be well received, there may be a Shortfall in the Rights Issue and ISA Group intends to first satisfy the applications for New Shares made by Eligible Shareholders wishing to participate in the Shortfall (if any) and secondly, place the balance of that Shortfall (if any) with certain strategic and sophisticated investors as soon as possible after the close of the Rights Issue and in any event, within three (3) months of the close of the Rights Issue.

In the event that demand for additional New Shares forming part of the Shortfall exceeds the number of New Shares available for allocation, ISA Group will implement a pro-rata scale-back of applications for such additional New Shares, based on existing shareholdings as at the Record Date.

ISA Group does not guarantee that there will be any Shortfall. ISA Group reserves the right at its sole discretion to issue New Shares from any Shortfall or to decline any application for New Shares to be issued out of any Shortfall.

See Part C Section 6 on how to apply for New Shares in excess of your Entitlement to participate in any Shortfall.

8. Ranking of New Shares

New Shares issued under the Rights Issue will be fully paid and rank equally in all respects with existing Shares. As the New Shares issued under the Rights Issue will be issued after the record date for the 2014 Annual General Meeting, shareholders will not be able to exercise a vote at the Annual General Meeting in relation to New Shares. The rights and liabilities attaching to the New Shares are set out in ISA Group's Constitution, a copy of which is available at www.indoorskydiveaustralia.com.au.

9. Reconciliation and Rights of ISA Group

ISA Group reserves the right to reduce the size of an Entitlement or the number of New Shares or persons claiming to be Eligible Shareholders or other applicable investors, if ISA Group believes in its absolute discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, ISA Group may, in its absolute discretion, require the relevant shareholder to transfer existing Shares held by them. The relevant

F. IMPORTANT INFORMATION

shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Rights Issue, those doing so irrevocably acknowledge and agree to do the above as required by ISA Group in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of ISA Group to require any of the actions set out above.

10. Lead Manager

ISA Group has entered into an agreement with Veritas under which Veritas will be paid a capital raising fee equal to 4% of the capital raised under the Placement and from any Shortfall to the Rights Issue that is placed by Veritas and a management fee which is equal to 1% of the capital raised under the Placement excluding the placement of any Shortfall.

Neither Veritas nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers have authorised or caused the issue of this Information and they do not take responsibility for this Information or any action taken by you on the basis of such Information. To the maximum extent permitted by law, Veritas and its related bodies corporate and affiliates, and their respective directors, officers, partners, employees, representatives, agents and advisers exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Rights Issue and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither Veritas nor its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers make any recommendations as to whether you or your related parties should participate in the Rights Issue, nor do they make any representations or warranties to you concerning the Rights Issue or any such information, and you represent, warrant and agree that you have not relied on any statements made by Veritas or any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers in relation to the New Shares or the Entitlements or the Rights Issue generally.

The engagement of Veritas by ISA Group is not intended to create any agency, fiduciary or other relationship between Veritas and ISA Group shareholders (including Eligible Shareholders) or any other investor.

11. Not Financial Product Advice

This Offer Booklet is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances, particular needs or circumstances. ISA Group is not licensed to provide financial product advice in respect of the Rights Issue, the Entitlements or the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the Corporations Act. It should be read in conjunction with ISA Group's other periodic statements and continuous disclosure announcements, copies of which are available at www.indoorskydiveaustralia.com.au and www.asx.com.au.

Before deciding to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives, financial circumstances, personal needs and circumstances and having regard to the merits or risks involved. If you have any questions you should contact your stockbroker, accountant, financial adviser or other independent professional adviser.

12. Future performance and forward-looking statements

Neither ISA Group nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Rights Issue. Forward-looking statements, opinions and estimates provided in the information in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of ISA Group and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this booklet.

13. Past performance

Investors should note that the past share performance of ISA Group Shares provides no guidance as to future price performance.

14. Underwriting

The Rights Issue is not underwritten.

15. Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Rights Issue, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

16. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Rights Issue that is not contained in this Information.

Any information or representation that is not in this Information may not be relied upon as having been authorised by ISA Group, or its related bodies corporate, in connection with the Rights Issue. Except as required by law, and only to the extent so required, none of ISA Group, nor any other person,

F. IMPORTANT INFORMATION

warrants or guarantees the future performance of ISA Group or any return on any investment made pursuant to this Information or its content.

17. Withdrawal of the Rights Issue

ISA Group reserves the right to withdraw all or part of the Rights Issue and this Information at any time, subject to applicable laws, in which case ISA Group will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Offer has occurred, ISA Group may only be able to withdraw the Rights Issue with respect to New Shares issued under the Rights Issue.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to ISA Group will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to ISA Group.

18. Tax

Set out below is a general summary of the potential Australian tax implications of the Rights Issue for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

The summary below does not deal with the tax implications for Eligible Shareholders who are not residents of Australia for tax purposes. It also does not deal with the tax implications for Eligible Shareholders:

- who hold their Shares (or will receive their Entitlements) as revenue assets or trading stock such as banks, insurance companies and taxpayers carrying on a business of share trading;
- have acquired their Shares for the purposes of resale at a profit;
- who acquired their Shares (or will hold their Entitlements) under an arrangement that constitutes an 'employee share scheme' for Australian tax purposes; or
- are non-resident Shareholders that hold their Shares as an asset of a permanent establishment in Australia.

The summary is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Shareholder. The summary below is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible Shareholder.

Taxation is a complex area of law and the taxation consequences for each Eligible Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Offer Booklet. Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Shares or the holding and disposal of Shares.

Issue of Entitlements

The issue of the Entitlements should not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder. This is on the basis the Entitlements should satisfy the

F. IMPORTANT INFORMATION

requirements in section 59-40 of the Income Tax Assessment Act 1997 (Cth) and provided the other investor and investment requirements are met. The issue of the Entitlements should therefore be treated as non-assessable income and non-exempt income.

Acquiring New Shares (by exercise of Entitlements) or additional New Shares (by application)

Eligible Retail Shareholders who exercise all or part of their Entitlement will acquire New Shares in ISA Group. In addition, in accordance with Part C section 6 of this Offer Booklet ISA Group may offer applicants additional New Shares. For these Eligible Shareholders:

- there should be no immediate Australian taxation liability in respect of the exercise of an Entitlement by an Eligible Shareholder to acquire a New Share;
- the Entitlements will cease to exist and a capital gains tax (**CGT**) event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which the Entitlements are exercised; and
- the New Shares should have a cost base for CGT purposes equal to:
 - where the Eligible Shareholder's existing Shares were acquired (or are taken to be acquired) on or after 20 September 1985, the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them; or
 - where the Eligible Shareholder's existing Shares were acquired (or are taken to be acquired) before 20 September 1985, the sum of the market value of the Entitlements when they were exercised and the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.
- the additional New Shares will have a cost base for CGT purposes equal to the Offer Price payable by Eligible Shareholders for those additional New Shares plus certain non-deductible incidental costs they incur in acquiring them.

Taxation of Dividends and Distributions

Any future dividends or other distributions made in respect of those New Shares or additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances. The actual date of acquisition of the New Shares or additional New Shares will be relevant in satisfying the '45 day holding period' rule to be eligible to receive franking credits and in determining any CGT discount (see below).

Taxation of Capital Gains

On any future disposal of New Shares or additional New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those shares. The cost base of those shares is described above. An Eligible Shareholder will, therefore, make a capital gain from the disposal of their New Shares or additional New Shares if the capital proceeds that they receive exceeds the cost base of their New Shares or additional New Shares. Conversely, a capital loss will arise if the reduced cost base of the New Shares or additional New Shares held by an Eligible Shareholder exceeds the capital proceeds they receive.

F. IMPORTANT INFORMATION

Any capital gain made from the disposal of the New Shares or additional New Shares will be combined with any other capital gains an Eligible Shareholder has made for the income year. The total capital gains will then be reduced by any capital losses an Eligible Shareholder has made in the income year or can deduct from a prior income year. The resulting net capital gain (if any) will consequently be included in the Eligible Shareholder's assessable income for the income year, subject to any available CGT discount (please see below).

A capital loss that arises on the disposal of the New Shares or additional New Shares may only be offset against an Eligible Shareholder's assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss may be applied against the Eligible Shareholder's future assessable capital gains (before taking into account the CGT discount, if applicable). A capital loss is not available to reduce other revenue or assessable income amounts.

Capital Gains Discount

Any capital gain arising to Eligible Shareholders who are individuals or trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting current year or prior year capital losses from other asset disposals) if they hold their New Shares or additional New Shares for at least 12 months after the New Shares or additional New Shares (as applicable) are acquired. Eligible Shareholders which are complying superannuation funds, can generally reduce their capital gain by one-third (after first offsetting current year or prior year capital losses from other asset disposals) if they hold their New Shares or additional New Shares for at least 12 months after the New Shares or additional New Shares (as applicable) are acquired. The CGT discount is not available to Eligible Shareholders that are companies.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT rules as having been acquired when the Company issues those additional New Shares.

Taxation of a return of capital by the Company

Where a return of capital is made by the Company, the cost base of the Eligible Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess triggering a capital gain.

Taxation of Financial Arrangements

An Entitlement or right to receive a share is a 'financial arrangement'. The Taxation of Financial Arrangement (**TOFA**) provisions apply to make assessable or deductible, gains or losses arising from certain 'financial arrangements'. The TOFA rules apply for certain income tax years commencing on or after 1 July 2010. However, a taxpayer can elect to apply the TOFA rules to income tax years commencing on or after 1 July 2009 and may also elect to apply the TOFA rules to existing financial arrangements held at the relevant start date. Some taxpayers are excluded from the TOFA rules unless they make an election for them to apply.

This includes:

- individuals;
- superannuation funds with asset values of less than \$100 million;
- managed investment schemes with asset values of less than \$100 million; and

F. IMPORTANT INFORMATION

- other entities with asset values of less than \$300 million.

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Eligible Retail Shareholders should obtain their own advice in relation to the potential application of the TOFA rules, in light of their own individual facts and circumstances.

Entitlements not taken up

Any Entitlement not taken up under the Retail Rights Issue will lapse or expire and the Eligible Retail Shareholder will not receive any consideration as a result of the expiration of the Entitlement. On this basis, in these circumstances, there should not be any tax implications for an Eligible Retail Shareholder. The Commissioner of Taxation (Commissioner) has recently released Taxation Ruling 2012/1 “Retail Premiums paid to shareholders where share entitlements are not taken up or are not available”. In that ruling the Commissioner states that certain retail premiums are assessable as either an unfranked dividend or as ordinary income, and not as capital gains. However, as outlined in Part C section 7 above, you will not receive any consideration for the lapse or expiry of your Entitlement not taken up under the Rights Issue or through any related bookbuild because there will be no retail premium paid from the Company to you. Accordingly, the tax treatment applied by the Commissioner in TR 2012/1 should not apply.

Sale of Entitlements

There is no opportunity for Eligible Shareholders to sell their Entitlements either privately or on the ASX.

Withholding taxes

The law requires that tax be withheld by Australian resident companies from dividends paid to certain shareholders (for example, subject to certain exceptions, Australian tax resident shareholders who have not provided their Tax File Number (TFN) or Australian Business Number (ABN) or shareholders who are not Australian residents for tax purposes). If you are an Australian tax resident Shareholder, and you have not previously provided your TFN or ABN to the Company, you may wish to do so prior to the Closing Date to ensure that withholding tax is not deducted from any dividends payable to you. If you do provide your TFN or ABN, withholding tax is not deducted from any dividends payable to you. If you do not provide your TFN or ABN, withholding tax may be deducted at the highest marginal tax rate plus Medicare levy. Any amount of tax withheld from payments paid to you can be claimed as a credit in your Australian tax return. You are able to provide your TFN online with the Share Registry at www.investorserve.com.au. When providing your details online, you will be required to enter your SRN or HIN, as shown on your Issuer Sponsored/ CHESS statements and other personal details such as your postcode. Collection of TFNs/ABNs in relation to your investment in ISA Group is authorised, and its use and disclosure are strictly regulated, by the tax laws and the Privacy Act. For more information about the use of TFNs and/or ABNs, please consult your professional adviser or contact the ATO.

Other Australian taxes

No goods and services tax (GST) is payable and no stamp duty should be payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares or additional New Shares (if applicable).

19. Privacy

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing personal information to ISA Group and the Registry, directly or via the Registry. The Privacy Act 1988 (Cth) regulates the way ISA Group collects, uses, disposes, keeps secure and gives people access to their personal information. ISA Group is committed to respecting the privacy of your personal information. ISA Group collects, holds and uses that personal information in order to process your application and to administer your shareholding in ISA Group. If you do not provide the information requested in the Entitlement and Acceptance Form, ISA Group may not be able to process or accept your application for New Shares. Your personal information may also be provided to ISA Group's agents or service providers and to third parties. You have the right to gain access to your personal information held by, or on behalf of, ISA Group, subject to certain exemptions under the law. You may be required to pay a reasonable charge in order to access your personal information. You can request access to your personal information by telephoning or writing to the Registry as follows:

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000
Telephone: 02 9290 9600

20. Governing Law

This Information, the Rights Issue and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia

Term	Meaning
\$	Australian dollars
Additional Shares	New Shares applied for by an Eligible Shareholder that are in excess of that Eligible Shareholder's Entitlement
Applicant	A person who has applied to subscribe for New Shares under the Offer
Application Money or Application Monies	The aggregate money payable for New Shares (including any Additional Shares) applied for by an Applicant
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited and the financial market operated by it
Board	The Board of Directors of ISA Group
Capital Raising	The equity raising of up to \$17 million comprising the Placement and the Rights Issue
Corporations Act	The <i>Corporations Act 2001 (Cth)</i>
Directors	The directors of ISA Group
Eligible Shareholder	A ISA Group Shareholder at the Record Date who is not an Ineligible Shareholder
Entitlement	The number of New Shares that an Eligible Shareholder is entitled to apply for under the Offer (on the basis of 2 New Shares for every 15 existing ISA Group Shares held on the Record Date, subject to rounding)
Entitlement and Acceptance Form	The personalised Entitlement and Acceptance Form accompanying this Offer Booklet
Ineligible Shareholder	A ISA Group shareholder at the Record Date who: <ul style="list-style-type: none"> • has a registered address which is not in Australia or New Zealand; • is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or • is ineligible under any applicable securities laws to receive an offer under the Offer
ISA Group or the Company	Indoor Skydive Australia Group Limited ACN 154 103 607
ISA Group share	A fully paid ordinary share in the capital of ISA Group
Lead Manager	Veritas Securities Limited
Listing Rules	The official listing rules of the ASX

G. GLOSSARY

Term	Meaning
New Share	A new ISA Group share to be issued under the Offer (and, for the avoidance of doubt, any Additional Shares will be New Shares)
Offer	2-for-15 pro-rata non-renounceable rights issue of New Shares at an offer price of \$0.50 per New Share
Offer Booklet	This offer booklet in relation to the Offer
Placement	The placement to institutional investors conducted between 30 October 2014 and 31 October 2014
Record Date	7.00 pm (Sydney Time) on Monday, 10 November 2014
Registry	Boardroom Pty Limited
Right	The right to subscribe for 2 New Shares for every 15 ISA Group shares held on the Record Date
Rights Issue	The 2-for-15 pro-rata non-renounceable rights issue of New Shares at an offer price of \$0.50 per New Share
Shortfall	New Shares which are not taken up under the Offer by Eligible Shareholders
Sydney Time	The time in Sydney New South Wales Australia
U.S. Person	As defined in Regulation S under the U.S. Securities Act of 1933 (as amended)
VWT	Vertical wind tunnel

Registered Office:

Indoor Skydive Australia Group Limited
ACN: 154 103 607
Level 2, 201 Miller Street
North Sydney NSW 2060

Directors:

Kenneth Gillespie, Non-executive Chairman

Wayne Jones, Chief Executive Officer

Daniel Hogan, Chief Operations Officer

Stephen Baxter, Non-executive Director

David Murray, Non-executive Director

Malcolm Thompson, Alternate Director for Stephen Baxter

Company Secretary:

Fiona Yiend

Share Registry:

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000

Lead Manager of Rights Issue:

Veritas Securities Limited
Level 4
175 Macquarie Street
Sydney NSW 2000

ASX Code: IDZ

Website:

<http://www.indoorskydiveaustralia.com.au/>



**Level 2, 201 Miller Street
North Sydney
NSW 2067 Australia**

www.indoorskydiveaustralia.com.au

RIGHTS ISSUE ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

 Number of Shares held at 7pm
 Sydney time on 10 November 2014

Offer Closes: 5pm (Sydney time) 21 November 2014

As an Eligible Shareholder you are entitled to participate in Indoor Skydive Australia Group Limited's non-renounceable rights issue of 2 New Shares for every 15 Existing Shares held at an issue price of \$0.50 per New Share to raise approximately \$5.9m, (**Offer**) as described in the Offer Booklet dated 12 November 2014 (**Offer Booklet**). The Offer Booklet contains information about investing in New Shares. Before applying for New Shares you should read it carefully. This form should be read in conjunction with the Offer Booklet.

This is a personalised form for the sole use of the Shareholding represented by the SRN or HIN recorded above.

A Rights Offer Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the close date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 2 New Shares for 15 Ordinary Existing Shares held	Price Per New Share	Amount Payable for Full Acceptance, at \$0.50 per New Share
	\$0.50 per New Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares Accepted	Price Per New Share	Amount Enclosed
	\$0.50 per New Share =	\$

B Apply for Shortfall (if available)

If you wish to apply for additional New Shares to your Entitlement above please insert the number of New Shares in the box below and the appropriate amount payable. These additional New Securities will only be allotted if available.

Number of Additional New Shares Applied for	Price Per New Share	Amount Enclosed
	\$0.50 per New Share =	\$

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Indoor Skydive Australia Group Limited Share Registry.

Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: XXXXX

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return this Entitlement and Acceptance Form**
- If paying by BPAY the amount of your payment received in the account divided by the Issue Price will be deemed to be the total number of New Shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **Indoor Skydive Australia Group Limited** and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder and, in particular is not being made to Shareholders with registered addresses outside Australia and New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Offer Booklet and I/We acknowledge the matters, and make the warranties, declarations, agreements and representations therein, including the warranties, declarations, agreements and representations in section C.12 of the Offer Booklet under the heading "Representations made on acceptance of the Rights Issue", declare that this Application is completed and lodged according to the Offer Booklet and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We represent and warrant that I/we are not located in the United States or a US Person and are not acting for the account or benefit of a US Person or any other foreign person. I/We agree to be bound by the constitution of Indoor Skydive Australia Group Limited and agree to the terms and conditions of the Offer contained in the Offer Booklet. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Offer Booklet when making my/our decision to invest.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Shares for which you are accepting by \$0.50 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. 02 9290 9600
Facsimile No. 02 9279 0664

If you do not deal with your Entitlement it will lapse at 5.00 pm (Sydney time) on 21 November 2014.

PAYMENT

Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "Indoor Skydive Australia Group Limited" and crossed "Not Negotiable".

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm (Sydney time) on 21 November 2014.

PAYMENT - OVERSEAS RESIDENTS

Eligible Shareholders who are permitted to apply for New Shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Offer Booklet

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /
Sole Director & Sole Company
Secretary

Joint Shareholder 2 (Individual) /
Director

Joint Shareholder 3 (Individual) /
Director/Company Secretary
(Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).