

12 November 2014

[Name]
[Address]
[Address]

Dear Shareholder

Letter to Ineligible Shareholders

On 3 November 2014, Indoor Skydive Australia Group Limited (**ISA Group**) (ASX: IDZ) announced an equity capital raising (**Offer**) of up to \$17 million by way of an institutional placement (**Institutional Placement**) of fully paid new ordinary shares in ISA Group (**New Shares**) and a 2 for 15 non-renounceable rights issue of approximately 11.7 million New Shares to raise up to approximately \$5.9 million (**Rights Issue**). The Offer is being made without a prospectus or product disclosure statement in accordance with sections 708, 708A and 708AA of the Corporations Act 2001 (Cth).

As previously announced, the Institutional Placement has raised approximately \$11.1 million.

The proceeds of the Offer will be used to support the construction of a new indoor skydiving facility in Perth, Western Australia and to refinance the current convertible note that provides partial funding for the Gold Coast development.

The Rights Issue is restricted to those shareholders who are Eligible Shareholders (as definition below).

For the purposes of the Rights Issue, Eligible Shareholders:

- are registered as a holder of ISA Group fully paid ordinary shares (**Shares**) as at the record date, being 7.00pm (Sydney time) on Monday, 10 November 2014;
- 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 Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Rights Issue, (**Eligible Shareholder**).

ISA Group has determined that, pursuant to ASX Listing Rule 7.7.1(a) and section 9A of the Corporations Act 2001 (Cth), it would be unreasonable to extend the Rights Issue to shareholders with a registered address outside Australia or New Zealand having regard to the small number of those shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions.

Unfortunately, as you do not satisfy the eligibility criteria above, ISA Group has determined that you are not an Eligible Shareholder for the purposes of the Rights Issue. You will not be sent any other documentation in relation to the Offer or be able to participate in the Rights Issue.

This letter is to inform you about the Rights Issue. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, you should contact your professional advisor or call the ISA Group Registry on +61 2 9290 9600.

On behalf of the ISA Group, thank you for your ongoing support of ISA Group.

Yours Sincerely



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