

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Burleson Energy Limited

ACN/ARSN ACN 117 770 475

1. Details of substantial holder (1)

Name Meidad Pariente

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 12/05/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares	219,333,333	219,333,333	17.85%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Meidad Pariente	Registered holder	Fully Paid Ordinary Shares: 219,333,333

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Meidad Pariente	Meidad Pariente	Meidad Pariente	Fully Paid Ordinary Shares: 219,333,333

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Meidad Pariente	12/05/2016		In consideration for the acquisition of the shares held in Sky and Space Global (UK) Limited pursuant to the attached agreements (Annexure 'A' and 'B')	Fully Paid Ordinary Shares: 219,333,333

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Meidad Pariente	4 Ha Oranim Street, Apt 7, HOD HASHARON 4526315, ISRAEL

Signature

print name Meidad Pariente

capacity

sign here

date 15/May/2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

BINDING HEADS OF AGREEMENT**PRIVATE AND CONFIDENTIAL**

This Heads of Agreement sets out the terms upon which **BURLESON ENERGY LTD** (ABN 73 117 770 475) (**ASX Co**) agrees to acquire 100% of the issued shares in **SKY AND SPACE GLOBAL (UK) LIMITED**, an entity incorporated in England (Incorporation Number 9887327) (**SSG**) from the shareholders described in Annexure B (together, the **Shareholders**).

This Heads of Agreement is binding on all the parties to it (**Parties**). The Shareholders and SSG of the one part, and ASX Co. of the other part, must jointly and severally procure that each complies with this Heads of Agreement.

1.	Acquisition	Subject to the satisfaction or waiver of the Conditions Precedent defined in accordance with clause 3 of this Heads of Agreement, ASX Co will acquire from the Shareholders all of the ordinary shares of SSG (SSG Shares), free from encumbrances, for the consideration referred to in sub-clause 2(b) below (the Acquisition).
2.	Consideration for Acquisition	(a) The non refundable consideration to be paid by ASX Co to SSG in consideration for entering into this Heads of Agreement, shall be one hundred thousand United States Dollars (US\$100,000) in cash, which is payable to (an) account(s) designated in advance by the Shareholders within 5 business days of execution of this Heads of Agreement. (b) In consideration for the acquisition of the SSG Shares, ASX Co shall issue the Shareholders with: (i) a total of 3,700,000,000 fully paid, ordinary shares in ASX Co (a fully paid ordinary share in ASX Co being an ASX Co Share) with a deemed market value of nine million United States Dollars (US\$9,000,000) and distributable in accordance with Annexure B (Consideration Shares); and (ii) a total of 1,500,000,000 performance shares divided into three tranches of 500,000,000 each, being a class of shares in the capital of ASX Co that convert into ASX Co Shares on a one (1) for one (1) basis) (Performance Shares). The Performance Shares will be distributable in accordance with Annexure B and will convert on the following milestones: (A) SSG executes a launch contract for at least two nanosatellites within eighteen (18) months of Settlement (as defined below) – 500,000,000 Performance Shares (A Class Performance Shares); (B) SSG completes the design and manufacture of a working nano satellite together with the integration of requisites

		systems and communication capability, including a Launch Readiness Review (LRR) of the nano satellite by its manufacturer to prove that the nano satellite is fully validated and tested for launch, within twenty four (24) months of Settlement - 500,000,000 Performance Shares (B Class Performance Shares); and (C) SSG successfully launches at least two nano satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement - 500,000,000 Performance Shares (C Class Performance Shares). (c) Subject to the satisfaction or waiver of the Conditions Precedent in accordance with clause three (3), the Consideration Shares and Performance Shares will, at settlement of the Acquisition (Settlement), will be issued to the Shareholders on the Settlement Date (as defined below). (d) Consideration Shares will rank equally with existing ASX Co Shares from the date of issue. (e) The full terms of the Performance Rights are set out in Annexure G.
3.	Conditions Precedent	Settlement of the Acquisition is conditional upon the satisfaction (or waiver where applicable) of the following conditions precedent: (a) completion of due diligence by ASX Co on SSG's business, assets, operations, financial position, financial performance and any further matters relevant to SSG, in each case to the satisfaction of ASX Co; (b) completion of due diligence by SSG on ASX Co's business, assets, operations, financial position, financial performance and any further matters relevant to SSG, in each case to the satisfaction of SSG; (c) SSG preparing management accounts for the shorter period of three years and the date of incorporation of SSG and delivering those accounts to ASX Co; (d) ASX Co obtaining all necessary shareholder approvals required by the Corporations Act 2001 (Cth) (Corporations Act) and the ASX Listing Rules in relation to the matters set out in this Heads of Agreement, including,

without limitation ASX Listing Rules approval and, if required, approval for the purpose of the Corporations Act, for the issue of the Consideration Shares and the Performance Shares to the Shareholders;

- (e) ASX Co, SSG and the Shareholders obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in this Heads of Agreement (including, but not limited to, conditional approval to reinstatement of ASX Co's quoted securities to trading on ASX following completion of the Acquisition on conditions satisfactory to ASX Co);
- (f) if required to satisfy the ASX Listing Rules, completion of a consolidation of the capital of ASX Co on the minimum ratio required to satisfy the ASX Listing Rules and to be agreed between ASX Co and SSG, acting reasonably;
- (g) ASX Co executing a binding agreement for the sale of existing ASX Co assets for not less than A\$500,000 or such other amounts as ASX Co and SSG agree;
- (h) ASX Co raising no less than A\$4 million via an offer of ASX Co Shares at an issue price of no less than \$0.02 cents each (post any required consolidation) and also no less than A\$0.0035 each on a pre-consolidation basis (**Capital Raising**), and funding (or putting in place contractual commitments to fund) US\$3 million for SSG's operation in accordance with the Budget;
- (i) if required, each of the Shareholders waiving all pre-emptive and other rights over any of the SSG Shares conferred by the constituent documents of SSG, any shareholders' agreement relating to SSG or in any other way (if any); and
- (j) to the extent required by the ASX, ASX Co or the ASX Listing Rules, each Shareholder (and their controllers, to the extent required by ASX or the ASX Listing Rules) entering into a restriction agreement as required by ASX imposing such restrictions on trading of those securities as mandated by the ASX Listing Rules in respect of the Consideration Shares and Performance Shares that are issued to the Shareholders by ASX Co.

(together the **Conditions Precedent**).

If the Conditions Precedent are not satisfied (or waived) on or before 5.00pm (Western Australian Standard Time) on that date which is four (4) months from the date of this Heads of Agreement (or such later date as SSG and ASX Co may agree), or become incapable of being satisfied and are not waived (**End Date**), then either SSG or ASX Co may terminate this Heads of Agreement by notice in writing to the other Parties, in which case, the agreement constituted by this Heads of Agreement will be at end and the Parties will be released from their obligations under this Heads of Agreement

		(other than in respect of any breaches that occurred prior to termination). The Parties will use their best efforts to ensure that the Conditions Precedent are satisfied before the End Date. The Conditions Precedent in clauses 3(a) and (c) may only be waived in writing by ASX Co. The Condition Precedent in clause 3(b) may only be waived in writing by SSG. All other Conditions Precedent may only be waived by agreement in writing of ASX Co and SSG. ASX Co will prepare in accordance with the Corporations Act and ASX Listing Rules the necessary meeting documents for the purpose of the approvals referred to in clause 3(e) above. The other Parties will cooperate with and consult with ASX Co in the preparation of those documents. All numbers of ASX Co Shares, Performance Shares and ASX Co options are detailed on a pre-consolidation basis. In the event a consolidation takes place, the numbers in this Heads of Agreement must be adjusted accordingly to a post consolidation basis.
4.	Settlement	Settlement will occur on that date which is 5 business days (as defined pursuant to the ASX Listing Rules, Business Days), or such other period agreed by SSG and ASX Co, after the satisfaction (or waiver) of the Conditions Precedent (Settlement Date). At Settlement: (a) ASX Co must issue the Consideration Shares and Performance Shares to the Shareholders (or their nominees) in the numbers set out in Annexure B and deliver holding statements to the Shareholders (or their nominees) for those securities; (b) the Shareholders and SSG must give access to or cause to be delivered to ASX Co: (i) valid instruments of transfer for the SSG Shares in registrable form (other than for the payment of any duty), duly executed by the Shareholders as transferee in favour of ASX Co (or its nominee) as transferor; (ii) a copy of a duly completed authority for the alteration of the signatories of each bank account of SSG in the manner agreed by SSG and ASX Co; (iii) share certificates in respect of the SSG Shares, if required by the law of SSG's jurisdiction of incorporation; and (iv) if required by ASX Co, completed application forms for the Consideration Shares and

		Performance Shares; and (c) the Shareholders and SSG must procure that a directors' meeting of SSG is held to attend to the following and the Shareholders and SSG must ensure that all of the following events occur at Settlement: (i) the approval of the registration of the transfer of the SSG Shares from the Shareholders to ASX Co (or its nominee) and the issue of new share certificates for the SSG Shares in the name of ASX Co (or its nominee); (ii) recording ASX Co (or its nominee) as the holder of the SSG Shares in the SSG register of members; (iii) taking all other steps required under SSG's constituent documents and applicable laws to constitute and evidence ASX Co (or ASX Co's nominee) as a holder of the SSG Shares; (iv) the transaction of any other reasonable business of which ASX Co may give notice by the Settlement Date. The Parties' obligations at Settlement are interdependent and must take place simultaneously, as nearly as possible, unless otherwise agreed by SSG and ASX Co. If a Party (Defaulting Party) fails to satisfy its obligations under this clause four (4) on the day and at the place and time for Settlement then, any other Party (Notifying Party) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of ten (10) Business Days from the date of the notice and declaring time to be of the essence. The Parties agree, however, that none of SSG or the Shareholders can be a Notifying Party, in the event that one or more of them is a Defaulting Party. If the Defaulting Party fails to satisfy those obligations within those 10 Business Days the Notifying Party may, without limitation to any other rights it may have, terminate this Heads of Agreement by giving written notice to the other Parties.
5.	Voting and Board	(a) Each Consideration Share shall confer on the holder thereof the following rights: (i) The right to receive Notices of General Meetings of ASX Co, to be present, participate, and vote therein. (ii) The right to one (1) vote in the General Meetings of ASX Co. (iii) The Consideration Shares will grant the holders thereof the rights to receive dividends as may be declared by the Board of Directors and approved by the ASX Co Shareholders out of funds legally available therefor, and upon liquidation or dissolution, assets of ASX Co legally available for

		distribution to Shareholders after payment of all debts and other liabilities of ASX Co. Such distribution shall be subject to, and made in accordance with, the Constitution of ASX Co and applicable law, and will be distributed among the holders of the ASX Co Shares pro rata in proportion to the number of ASX Co Shares held by each on the day of declaration of the dividend (or the distribution of assets) on the ASX Co Shares. (b) The Board of Directors of ASX Co, shall be appointed in accordance with the Constitution of ASX Co, save for amendments required by the law of Australia. (c) Following Settlement, SSG shall have the right to appoint three (3) board directors in the ASX Co out of a total of five (5) board members, and the Chief Executive Officer of ASX Co. Only one of the existing directors, Peter Wall, will remain on the board following Settlement with Brett Mitchell to join the Board as part of the transaction, in addition to the three SSG nominee directors. (d) From Settlement until SSG Shares are registered in the name of ASX Co, the Shareholders agree to: (i) appoint ASX Co as the sole proxy of the holders of SSG Shares to attend shareholders' meetings and exercise the votes attaching to SSG Shares; (ii) not attend and vote at any shareholders' meetings; and (iii) take all other actions reasonably required in capacity of a registered holder of SSG Shares as ASX Co directs.
6.	Warranties and indemnities by SSG	SSG shall make the representations and warranties to ASX Co set out in Annexure A both as at the date of the execution of this Heads of Agreement and on the Settlement Date (except where expressly stated to occur on another date). SSG must indemnify and hold ASX Co harmless against all losses, claims, costs, demands, liabilities and expenses (Claims) which may be suffered, sustained or incurred by ASX Co directly or indirectly as a result of or in respect of a breach by SSG of any of the covenants, warranties, representations or undertakings referred to or contained in this Heads of Agreement.
7.	Warranties and indemnities by Shareholders	(a) Each Shareholder shall make the Essential Warranties as set out in Annexure A to the best of its knowledge, both as at the date of the execution of this Heads of Agreement and on the Settlement Date (except where expressly stated to occur on another date). (b) Each Shareholder must severally but not jointly indemnify and hold ASX Co harmless against all Claims, which may be suffered, sustained or incurred directly by ASX Co by

reason of any Essential Warranties set out in Annexure A proving to be false, misleading or incorrect in a material respect, subject to:

- (i) a Claim being notified to SSG and the Shareholders within the earlier of (a) 12 months of the Settlement Date, and (b) achievement of Milestone 1 (as defined in Annexure G);
 - (ii) the total of all amounts finally agreed or adjudicated to be payable in respect of the all Claims exceeds US\$100,000; and
 - (iii) the maximum liability for the aggregate of all Claims made under this clause not exceeding five percent (50%) of the lower of the (a) value as at the date of issuance of the Consideration Shares issued to the Shareholders, and (b) market value of the Consideration Shares as quoted on the Australian Securities Exchange at the time the relevant Claim is payable.
- (c) Where a Shareholder is liable as a result of a Claim, it may satisfy its liability at its option by:
- (i) paying the liability amount in cleared funds to ASX Co; or
 - (ii) by cancelling or relinquishing the Consideration Shares held by it for a value equal to the liability amount in accordance with clause 7(e).
- (d) If a Shareholder elects to cancel Consideration Shares in accordance with clause 7(c)(ii) above, then such cancellation shall be in full and final satisfaction of all liability that the Shareholder has in relation to a Claim.
- (e) For the purposes of clause 7(c)(ii):
- (i) the number of Consideration Shares that must be cancelled or relinquished will be determined by the following formula:

$$A = \frac{B}{C}$$

where:

A= The number of Consideration Shares that a Shareholder must cancel or relinquish;

B= The total liability of the Shareholder in respect of the relevant Claim (as agreed or adjudicated by a court of competent jurisdiction); and

		C= the higher of the market value of the Consideration Shares as quoted on the Australian Securities Exchange (a) at the date of issuance of the Consideration Shares issued to the Shareholders, and (b) at the time the relevant Claim is payable; (ii) the cancellation or relinquishment of Consideration Shares will be by way of cancellation or relinquishment of the Consideration Shares by ASX Co and the Shareholder by this clause grants ASX Co a power of attorney to do all things necessary including to execute any document to give effect to the cancellation or relinquishment of the Consideration Shares on the Shareholder's behalf; and (iii) Where the Shareholders are liable as a result of a Claim, all of the recipients of Consideration Shares set out in Annexure B (including Roby Group) shall participate pro rata in satisfaction of such Claim.
8.	Disclosure against Warranties	(a) ASX Co acknowledges and agrees that SSG and the Shareholders have disclosed or are deemed to have disclosed against the representations and warranties in Annexure A, and ASX Co is aware of, and will be treated as having actual knowledge of, all facts, matters and circumstances that: (i) are provided for or described in this Heads of Agreement; (ii) are within the actual knowledge of ASX Co or its advisers in relation to the Acquisition; or (iii) have been fully and fairly disclosed by SSG or the Shareholders to ASX Co. (b) SSG and the Shareholders acknowledges and agrees that ASX Co has disclosed or are deemed to have disclosed against the representations and warranties in Annexure C, and SSG and the Shareholders are aware of, and will be treated as having actual knowledge of, all facts, matters and circumstances that: (i) are provided for or described in this Heads of Agreement; (ii) are within the actual knowledge of SSG and the Shareholders or their advisers in relation to the Acquisition; or (iii) have been fully and fairly disclosed by ASX Co to SSG or a Shareholder.

9.	No reliance - ASX Co	ASX Co acknowledges and represents and warrants that: (a) at no point has: (i) SSG or any Shareholder made or given; or (ii) ASX Co relied on, any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of SSG or otherwise except to the extent expressly set out in this Heads of Agreement; and (b) no representations, warranties, promises, undertakings, statements or conduct: (i) have induced or influenced ASX Co to enter into, or agree to any terms or conditions of the Acquisition; (ii) have been relied on in any way as being accurate by ASX Co; (iii) have been warranted to ASX Co as being true; or (iv) have been taken into account by ASX Co as being important to its decision to enter into, or agree to any or all of the terms of, this Heads of Agreement, except to the extent expressly set out in this Heads of Agreement.
10.	Warranties by ASX Co	ASX Co shall make the representations and warranties to the Shareholders set out in Annexure C both as at the date of the execution of this Heads of Agreement and on the Settlement Date (except where expressly stated to occur on another date). ASX Co must indemnify and hold the Shareholders harmless against all losses, claims, costs, demands, liabilities and expenses which may be suffered, sustained or incurred by the Shareholders directly or indirectly as a result of or in respect of a breach by ASX Co of any of the covenants, warranties, representations or undertakings referred to or contained in this Heads of Agreement.
11.	Due Diligence Information	In order for ASX Co and SSG to complete the due diligence on each other in accordance with clauses 3(a) and 3(b), ASX Co and SSG agree to grant access on reasonable notice to all personnel, documents and information relevant to the other Party's due diligence, including, without limitation, the following information: (a) all financial accounts, company records and company secretarial correspondence of the party; (b) all contracts entered into by the party; (c) details of all employees, officers, consultants, contractors,

		managers, board members and agents of the party and the terms of engagement; (d) details of all insurance policies and banking arrangements/facilities of the party; (e) copies of any relevant licences or regulatory approvals held or required by the party in order to operate its business; (f) details of all intellectual property of the party and documents evidencing registration of all relevant mastheads, trademarks, business names, copyright material, patents and other intellectual property; (g) details of all freehold and leasehold properties owned or occupied by the party, including all relevant agreements in respect of those properties; (h) details of all assets, including, without limitation, fixed assets and plant, owned by the party or in which the party holds an interest; and (i) details of any known circumstances which have or might give rise to any litigation, arbitration, dispute or claim involving the party and the details of any such existing, potential or previous litigation, arbitration dispute or claim. The Shareholders, agree to make the information set out above available to ASX Co immediately upon request from ASX Co.
12.	Capital Raising	Subject to the satisfaction or waiver of the Conditions in clauses 3(a) to 3(e): (a) ASX Co agrees to use its best endeavours to complete the Capital Raising under a Prospectus that complies with section 710 of the Corporations Act and provide a draft of the Prospectus for approval by SSG (not to be unreasonably withheld); and (b) SSG and the Shareholders will procure that Meir Moalem Meidad Pariente and Maya Glickman-Pariente are available on reasonable notice to assist ASX Co in respect of any road shows for the Capital Raising, investor presentations in Australia (at ASX Co's expense) and preparation of the Prospectus for the Capital Raising.
13.	Maintaining Status Quo	Other than as contemplated in this Heads of Agreement or as disclosed fully and fairly in writing to ASX Co before the date of this Heads of Agreement, or with the prior written approval of ASX Co (such approval not to be unreasonably withheld or delayed), until Settlement, unless this Heads of Agreement is terminated earlier, SSG must (and the Shareholders must procure that SSG does): (a) not undertake or allow any material business change to

		SSG, or its subsidiaries; (b) not enter into any material contract or incur any material liability; (c) not dispose of the whole, or a substantial part, of its business or assets; (d) not vary or reduce its capital structure; (e) not issue, or agree to issue, any equity or debt securities, or grant or agree to grant any rights over existing issued capital, or rights to be issued securities in the capital of SSG or its subsidiaries; (f) not alter or agree to alter its articles of association; (g) not declare any dividends; (h) not cause to occur, by act or omission, an event or series of events, whether related or not, which may have, from the perspective of ASX Co, a material adverse effect on the business, assets or financial condition of SSG or its subsidiaries or on the transactions contemplated by this Heads of Agreement; (i) not create or permit the creation of any encumbrance over the intellectual property of SSG, or its subsidiaries, (including without limitation, any business names or trademarks, patent or patent applications, registered designs, unregistered designs, copyright, confidential information, know-how and source code) (SSG IP); (j) not sell, assign or dispose of any legal or beneficial interest in SSG IP; (k) maintain and renew SSG IP under applicable intellectual property laws and regulations; and (l) pass to ASX Co any notice or communication from any government departments or any other government authority or third party in any way affecting or potentially affecting SSG IP.
14.	Budgets	The Parties agree that until Settlement, unless this Heads of Agreement is terminated earlier, except as otherwise agreed in writing by SSG and ASX Co: (a) SSG will comply with SSG's budget and will only be permitted to spend money in accordance with such budget as set out in Annexure D (SSG Budget); and (b) ASX Co will comply with ASX Co's budget and will only be permitted to spend money in accordance with such budget as set out in Annexure E.
15.	Facilitation Shares	The parties acknowledge and agree that a total of 200,000,000 ASX Co Shares will be issued, at Settlement, to certain parties

		that assisted with facilitating the transaction contemplated by this Heads of Agreement.
16.	Exclusivity	SSG and the Shareholders grant ASX Co exclusivity with respect to the transactions envisaged by this Heads of Agreement and all direct and related business operations (being the business of operating a narrow-band communication network based on nanosatellites (the Business)) until the earlier of the End Date and the date when this Heads of Agreement is otherwise lawfully terminated and for so long as ASX Co has not materially breached these Heads of Terms. Until the End Date, unless this Heads of Agreement is terminated earlier and for so long as ASX Co has not materially breached these Heads of Terms, each of SSG and the Shareholders agree that: (a) they will not participate in any negotiations or discussions with, or provide any information to, or accept or enter into any agreement, arrangement or understanding with, any third parties in respect of a transaction that may reduce the likelihood of success of the transactions contemplated by this Heads of Agreement and will also cease any existing discussions or negotiations regarding such transactions; (b) they will not engage with any other third party in connection with the sale of all or any SSG Shares, or any of SSG's business, assets or undertaking; and (c) they will not provide any third party with any information regarding SSG or its business, assets or undertakings, other than in the ordinary course of its ordinary business, other than where otherwise agreed by ASX Co in writing or where SSG's board determines, after receiving legal advice, that to do so would be reasonable likely to breach their director duties.
17.	Working Capital Loan	Within thirty (30) days of the execution of these Heads of Terms, ASX Co. shall extend to SSG to fund operation of its business a zero-interest convertible loan facility in an aggregate amount of five hundred thousand United States Dollars (US\$500,000) (the Loan Amount), to be documented under a Convertible Loan Agreement to be agreed between ASX Co and SSG to provide working capital funding on the agreed SSG Budget, to fund the immediate SSG business plan requirements. Once Settlement occurs, the Convertible Loan Agreement shall become an intercompany loan and only be repayable by mutual agreement between SSG and ASX CO. However, if Settlement does not occur as contemplated in this Heads of Agreement, upon the earlier of (a) two (2) months from the End Date, provided that the Shareholders (rather than ASX Co) choose unreasonably to not proceed to Settlement and ASX Co has not materially breached this Heads of Agreement, and (b) consummation of an equity investment from a different investor of at least one million United States Dollars (US\$1,000,000), ASX Co may decide that the Loan Amount will either (i) convert at

		preferential terms, being into the class of shares issued in such financing at a 20% discount to price per share in such financing, or (ii) be repaid in cash (together with such interest as specified in the Converting Loan Agreement). If the Loan Amount has not been advanced to SSG by ASX Co with forty (40) days from the date of this Heads of Agreement (or such later date as SSG and ASX Co may agree), then SSG may terminate this Heads of Agreement by notice in writing to ASX Co, in which case, the agreement constituted by this Heads of Agreement will be at end and the Parties will be released from their future obligations under this Heads of Agreement.
18.	Additional Shareholders and SSG Shares	(a) The Shareholders may transfer all or some of their SSG Shares, and SSG may issue new SSG Shares, to existing and new shareholders, subject to any new Shareholder executing a binding deed agreeing to be bound by this Heads of Agreement. (b) Where SSG Shares are transferred or issued under clause 15(a), Annexure B will be deemed to be amended to reflect the details of new Shareholders and allocation of Consideration Shares and Performance Shares amongst Shareholders. (c) For the avoidance of doubt, the total number of Consideration Shares and Performance Shares to be issued will not change as a result of the issue or transfer of SSG Shares under clause 15(a).
19.	Formal Agreement	Notwithstanding the fact that this document is legally binding on the Parties, if both ASX Co and SSG agree, the Parties agree to enter into formal agreements to more fully document the terms of the Acquisition (to be prepared by ASX Co's solicitors) which shall be in terms acceptable to the Parties (acting reasonably) and which shall be consistent with the terms set out in this Heads of Agreement, except to the extent otherwise agreed by the Parties.
20.	Confidentiality	Each Party is to keep confidential the terms of this Heads of Agreement and any other information obtained from another during the negotiations preceding the execution of this Heads of Agreement or in the course of furthering the transactions contemplated by this Heads of Agreement whether in the course of conducting due diligence or otherwise (Confidential Information), and is not to disclose it to any person except: (a) to employees, shareholders, legal advisers, auditors and other consultants requiring the information for the purposes of this Heads of Agreement; (b) with the consent of Party or parties which own the Confidential Information; (c) if the information is, at the date of this Heads of Agreement, lawfully in the possession of the recipient of the information through sources other than any of the

		other Parties; (d) if required by law or a stock exchange; (e) if strictly and necessarily required in connection with legal proceedings relating to this Heads of Agreement; (f) if the information is generally and publicly available other than as a result of a breach of confidence; or (g) to a financier or prospective financier (or its advisers) of a Party. A Party disclosing Confidential Information must use all reasonable endeavours to ensure that persons receiving the Confidential Information from it do not disclose the Confidential Information except in the circumstances permitted in this clause. The obligations under this clause contain obligations separate and independent from the other obligations of the Parties and remain in existence for a period of two years from the date of this Heads of Agreement, regardless of any termination of this Heads of Agreement. For the avoidance of doubt, the Parties acknowledge and agree that ASX Co is listed on ASX and is subject to continuous disclosure obligations applicable to that exchange. Accordingly, details of this Heads of Agreement, SSG, the Shareholders and the assets and undertaking of SSG (potentially among other information) will need to be disclosed in announcements to ASX.
21.	Further Assurance	Each Party shall sign and execute and do all deeds, acts, documents and things as may reasonably be required by the other Parties to effectively carry out and give effect to the terms and intentions of this Heads of Agreement.
22.	Governing Law	The binding terms of this Heads of Agreement shall be governed by and construed in accordance with the law from time to time in Western Australia. The Parties agree to submit to the non-exclusive jurisdiction of the Courts of England and the Courts which hear appeals from those Courts.
23.	Assignment	None of the Parties may assign any of the rights or obligations conferred by this Heads of Agreement without the consent of the other Parties.
24.	Costs	Each Party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of this Heads of Agreement. ASX Co shall reimburse SSG for reasonable travel costs to Australia and any reasonable expenses resulting from any assistance requested from the Shareholders or their advisers for ASX Co's own capital raising efforts or travel to Australia, all against invoices and receipts evidencing such costs and expenses and subject to prior ASX Co approval for amounts in excess of US\$5000.

25.	Tax	(a) In the event a supply made by one party to another under this document is subject to a value added or similar tax, the price stated in this Heads of Agreement is exclusive of such tax and the recipient of such a supply must pay to the other party an amount equal to the amount of any such tax in addition to any amount stated in this Heads of Agreement and at the same time. (b) Any payment of such tax is subject to the other party providing any invoice or similar documentation required by law with respect to such tax. (c) No party makes any representation to the other with regard to the intended tax consequences of the Acquisition.
26.	Waiver	A provision of, or a right under, this Heads of Agreement may only be waived in writing signed by the Party granting the waiver. A failure or delay in exercise, or partial exercise, or a power, right, authority or remedy arising from a default or breach under this Heads of Agreement does not result in a waiver of that power, right, authority or remedy.
27.	Remedies	The rights, power and remedies provided in this Heads of Agreement are cumulative with and not exclusive to the rights, power or remedies provided by law independently of this Heads of Agreement.
28.	Whole Agreement	This Heads of Agreement, any formal agreement, and the other agreements envisaged by this Heads of Agreement, shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.
29.	Variation	No modification or alteration of the terms of this Heads of Agreement shall be binding unless made in writing dated subsequent to the date of this Heads of Agreement and duly executed by all Parties.
30.	Notices	Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed prepaid mail in each case addressed to the Party at its address set out in below: In the case of ASX Co: Burleson Energy Limited Level 6, 9 Barrack Street, Sydney, New South Wales, 2000 Facsimile: INT + (61 2) 8252 6178 Email: mikemjsa@gmail.co Attention: Mike Sandy In the case of SSG and/or the Shareholders: Sky and Space Global (UK) Limited 1a Palace Court 250 Finchley Road London NW3 6DN

		Email: meir@multimodis.co.il Attention: Meir Moalem
31.	Severance	If any provision of this Heads of Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision shall be and continue to be valid and forceful in accordance with their terms.
32.	Counterparts	This Heads of Agreement may be executed in any number of counterparts, including by email, each of which when executed and delivered to the other Parties shall constitute an original, but all counterparts together shall constitute one and the same agreement.
33.	Interpretation	In this Heads of Agreement unless the context otherwise requires: (a) headings are for convenience only and do not affect its interpretation; (b) an obligation or liability assumed by, or a right conferred on, two (2) or more Parties binds or benefits all of them jointly and each of them severally; (c) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust; (d) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation; (e) a reference to any document (including this Heads of Agreement) is to that document as varied, novated, ratified or replaced from time to time; (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it; (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender; (h) reference to Parties, clauses, schedules, exhibits or annexure are references to Parties, clauses, schedules, exhibits and annexure to or of this Heads of Agreement and a reference to this Heads of Agreement includes any schedule, exhibit or annexure to this Heads of Agreement; (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or

		phrase has a corresponding meaning;
		(j) a reference to US\$ is to the currency of the United States of America; and
		(k) a reference to A\$ is to Australian currency.

If the terms and conditions set out above are acceptable, please execute this Heads of Agreement in the appropriate place below.

Dated this day of November 2015.

EXECUTED by Burleson Energy Limited
ABN 73 117 770 475
in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

Signature of director/company
secretary*

Peter Wall

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by SKY AND SPACE GLOBAL
(UK) LIMITED in accordance with its
constituent documents and place of
incorporation:

Signature of director

Signature of director

Name of director

Name of director

		phrase has a corresponding meaning;
		(j) a reference to US\$ is to the currency of the United States of America; and
		(k) a reference to A\$ is to Australian currency.

If the terms and conditions set out above are acceptable, please execute this Heads of Agreement in the appropriate place below.

Dated this day of November 2015.

EXECUTED by **Burleson Energy Limited**)
ABN 73 117 770 475)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Peter Wall

Name of director

A. Sundich

Signature of ~~director~~/company secretary*

Alexander Sundich

Name of ~~director~~/company secretary*

*please delete as applicable

EXECUTED by **SKY AND SPACE GLOBAL**)
(UK) LIMITED in accordance with its)
constituent documents and place of)
incorporation:)

Signature of director

Name of director

Signature of director

Name of director

		phrase has a corresponding meaning;
		(j) a reference to US\$ is to the currency of the United States of America; and
		(k) a reference to A\$ is to Australian currency.

If the terms and conditions set out above are acceptable, please execute this Heads of Agreement in the appropriate place below.

Dated this day of November 2015.

EXECUTED by Burleson Energy Limited)
ABN 73 117 770 475)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by SKY AND SPACE GLOBAL)
(UK) LIMITED in accordance with its)
constituent documents and place of)
incorporation:)

Signature of director
yoni

Name of director

Signature of director

Name of director

Executed by MEIR MOALEM:

A blue ink signature of Meir Moalem, consisting of stylized, overlapping loops, written over a horizontal line.

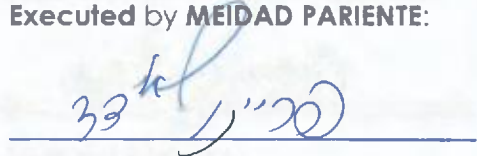
Meir Moalem

Executed by MAYA GLICKMAN:

A blue ink signature of Maya Glickman, written in a cursive style, over a horizontal line.

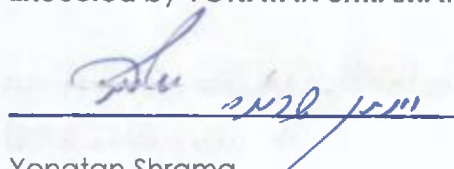
Maya Glickman

Executed by MEIDAD PARIENTE:

A blue ink signature of Meidad Pariente, featuring the letters 'MP' and '20' in a stylized, cursive font, over a horizontal line.

Meidad Pariente

Executed by YONATAN SHRAMA:

A blue ink signature of Yonatan Shrama, written in a cursive style, over a horizontal line.

Yonatan Shrama

ANNEXURE A – REPRESENTATIONS AND WARRANTIES BY SSG AND THE SHAREHOLDERS

The representations and warranties given by SSG (with respect to all representations and warranties) and by each Shareholder (being the representations and warranties in (a), (b), (c), (e), (g), (j), (k), (l)(ii), (m)(ii), (q)(ii), (s), (cc), (dd), (ee) and (ff) (**Essential Warranties**), provided that a Shareholder shall be deemed to only be providing a representation and warranty about itself and not about another Shareholder) are as follows:

- (a) **Incorporation:** SSG is an England incorporated company and is incorporated and validly existing in accordance with the laws of its place of incorporation. Each Shareholder which is a company, is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.
- (b) **Power and capacity:** SSG and the Shareholders each have full power and lawful authority to execute and deliver this Heads of Agreement and to observe and perform, or cause to be observed or performed, all of their obligations in and under this Heads of Agreement without breach or causing the breach of applicable laws.
- (c) **Authority:** The execution, delivery and performance of this Heads of Agreement has been duly and validly authorised by all necessary corporate action on behalf of SSG and the necessary action on behalf of the Shareholders.
- (d) **Issued capital:** No equity securities, debt securities, or hybrid securities are on issue in SSG other than as set out in Annexure B.
- (e) **Title:** The Shareholders are each the legal and beneficial owners of the shares in the capital of SSG set out in Annexure B which shares are free of all encumbrances and other third party interests or rights and comprise the total issued capital in SSG.
- (f) **No right to subscribe:** No person has any right or option to subscribe for or otherwise to acquire any further shares or other equity, debt or hybrid securities in SSG other than as set out in Annexure B.
- (g) **Free of encumbrances:** The Shareholders are able to transfer the SSG Shares without the consent of any other person and free of any encumbrance or pre-emptive rights or rights of first refusal.
- (h) **No options:** There are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of SSG other than as set out in Annexure B.
- (i) **No other allotments:** SSG is not under any obligation to allot any shares or any other equity, debt or hybrid securities to any person or persons, or otherwise to alter the structure of any part of its unissued share capital, and SSG is not under any obligation to give any option over any part of its unissued capital nor has SSG offered to do any of the matters stated in this paragraph other than as set out in Annexure B.
- (j) **Fully paid:** 100% of the issued shares of SSG are owned by the Shareholders in the amounts set out in Annexure B, are fully paid and no money is owing in respect of them.

- (k) **No legal impediment:** The execution, delivery and performance by the Shareholders of this Heads of Agreement complies with:
- (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
 - (ii) the constitution or other constituent documents of SSG; and
 - (iii) any security interest or document, which is binding on the Shareholders in relation to their shares in SSG.
- (l) **No Event of Insolvency:** No Event of Insolvency has occurred in relation to:
- (i) SSG nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to SSG; and
 - (ii) a Shareholder nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to such Shareholders (if a company).
- (m) **No litigation:**
- (i) SSG and the directors of SSG are not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to SSG nor is any such litigation, arbitration or administrative proceeding pending or threatened.
 - (ii) There is no litigation or proceeding pending or threatened against a Shareholder which may defeat, impair, detrimentally affect or reduce the right, title and interest of SSG in the assets described in Annexure F or of such Shareholder in the SSG Shares.
- (n) **No claims remain unpaid:** There are no material claims made but unpaid under any existing or previous insurance policies held by SSG, and no material threatened or pending claims, and there are no events or circumstances which may give rise to any such claim.
- (o) **No failure to claim:** SSG has not failed to give any notice or to present any claim with respect to its assets, undertaking or business under any existing insurance policy.
- (p) **Investigations:** SSG is not the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.
- (q) **Tax Investigations:**
- (i) SSG is not the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.
 - (ii) No Shareholder is the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened, which may defeat, impair, detrimentally affect or reduce the right, title and interest of SSG in the assets described in Annexure F or of such Shareholder in the SSG Shares.

- (r) **Compliance with laws and agreements:** SSG is not in material breach of any provision of any relevant laws or material contract or agreement to which SSG is party.
- (s) **Consistency:** The execution, delivery and performance of this Heads of Agreement by SSG and the Shareholders does not conflict with or result in a breach of any obligation (including, without limitation, any statutory, contractual or fiduciary obligation) or constitute or result in any default under any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which SSG or each Shareholder is a party or is subject or by which it is bound.
- (t) **Subsidiaries:** SSG does not have any subsidiaries and holds no interest or ownership in any other entity.
- (u) **Contracts:** Every material contract, instrument or other commitment to which SSG is a party is set out in Annexure F, is valid and binding according to its terms and no party to any such commitment or contract is in material default under the terms of that commitment or contract.
- (v) **Liabilities:** SSG does not have any liabilities other than as set out in the accounts disclosed.
- (w) **Assets Owned by SSG:** All the fixed assets, current assets and other assets and property owned by SSG are:
- (i) accurately described in full in Annexure F;
 - (ii) legally and beneficially owned by SSG free of encumbrances (and, in particular, no such assets are the subject of any hire purchase agreement or credit purchase agreement or any agreement for payment of deferred terms); and
 - (iii) not used by any person, other than SSG.
- (x) **No other operations or assets:** Other than as disclosed in writing to ASX Co prior to the date of this Heads of Agreement, SSG has no operations, assets or agreements other than the assets described in Annexure F.
- (y) **Intellectual Property:**
- (i) **(List in Annexure F):** Part A of Annexure F accurately describes:
 - (A) all registered and unregistered business names and trade marks;
 - (B) all registered patents and designs;
 - (C) all domain names; and
 - (D) all applications for registration of trademarks, domain names, patents and designs.which are owned or used at any time by SSG in connection with its business (together the **Intellectual Property Rights**).
 - (ii) **(Right and title):** Except as set out in Annexure F, SSG:

- (A) owns all right, title and interest in and to the Intellectual Property Rights;
- (B) has not licensed any of the Intellectual Property Rights; and
- (C) has not assigned or disposed of any right, title or interest in the Intellectual Property Rights.

(iii) **(Legally and beneficially owned):** The Intellectual Property Rights are:

- (A) in good standing in terms of any applicable legislation, regulations and other statutory requirements, and to the knowledge of SSG and its Shareholders, is not subject to any license, royalty obligation, assignment or disposal and as at the date of this Heads of Agreement and at Settlement, no applications for patents or other types of intellectual property in respect of SSG have been refused or are considered likely to be refused;
- (B) legally and beneficially vested in SSG;
- (C) not being presently infringed, nor are they the subject of any dispute, litigation or expungement application (whether threatened or otherwise); and
- (D) not subject to any licence or authority in favour of any third party, and the exercise of them does not infringe the rights of any other parties.

(iv) **(Confidential Information):** There has not been any misuse or unauthorised disclosure of any of SSG's confidential information.

(v) **(Intellectual Property Licences):** Part B of Annexure F accurately describes all agreements under which SSG obtains from any person the exclusive or non-exclusive right to use, but not the ownership of, any of intellectual property rights (the **Intellectual Property Licences**) and each Intellectual Property Licence is valid, binding and enforceable in accordance with its terms. SSG has complied at all times with the terms of the Intellectual Property Licences, and no act or omission has occurred which would entitle a licensor under an Intellectual Property Licence to terminate that licence.

(vi) **(No use by other persons):** The Shareholders are not aware of any use by any other person of any Intellectual Property Rights.

(vii) **(No infringement of other right):** None of the Intellectual Property Rights or other processes now or at any time employed, or the products now or at any time produced by SSG, constitutes or may constitute an unauthorised infringement of any intellectual property rights of any other person.

(z) **Licenses and approvals:** Other than as disclosed in writing to ASX Co prior to the date of this Heads of Agreement, SSG has all permits, licenses, authorities, registrations and approvals necessary for properly carrying on its business and SSG and the Shareholders are not aware of any circumstance or fact which may result in the revocation, variation or non-renewal in any material respect of any such permits, licenses, authorities, registrations and approvals.

- (aa) **Employees and contractors:** At Settlement, other than as described in Annexure F or to the extent permitted by written consent from ASX Co, SSG has no directors, managers, officers, employees, agents, consultants or contractors and no claim or obligations exists or will exist at Settlement in relation to any existing, proposed or previous directors, managers, officers, employees, agents, consultants or contractors of SSG.
- (bb) **Financings:** Other than to the extent permitted by written notice from ASX Co to SSG, there are no:
- (i) financing arrangements entered into by or on behalf of SSG for the borrowing of money;
 - (ii) debentures, bonds, notes or similar debt instruments issued by SSG;
 - (iii) guarantees given by SSG, or to which SSG is otherwise subject, in relation to SSG or any other person;
 - (iv) encumbrances over the assets or undertaking or SSG, or its business or securities; or
 - (v) financing arrangements that restrict the disposal of SSG.
- (cc) **All material information:** Any information known to SSG or the Shareholders concerning SSG which might reasonably be regarded as material to a purchaser for value of SSG Shares has been disclosed to ASX Co or its advisers (including Verona Capital) and is true and accurate in all material respects, excluding information that is publically available regarding the satellite and communications industries.
- (dd) **No competing interests:** As that the date of this Heads of Agreement, the Shareholders of SSG do not have any interest in any company or business which has a close trading relationship with or which is in direct competition with the Business except as has been disclosed to ASX Co or its advisers within or prior to the date of this Heads of Agreement.
- (ee) **No Trust:** Each Shareholder and SSG enters into and performs this Heads of Agreement on its own account and not as trustee for or nominee of any other person.
- (ff) **No sums owing:** No sums are now owing or will at Settlement be owing by SSG to the Shareholders or to any company or person related to the Shareholders, except as disclosed within or prior to the date of this Heads of Agreement or in the SSG Budget.
- (gg) **Capital expenditure:** There are no outstanding commitments of SSG for capital expenditure.
- (hh) **No profit sharing:** SSG is not a party to any agreement, arrangement or understanding where it is or will be bound to share profits or waive or abandon any rights, except as disclosed within or prior to the date of this Heads of Agreement.
- (ii) **No Power of Attorney:** There are no powers of attorney given by SSG in favour of any person which may come into force in relation to the business, assets or undertaking of SSG.

ANNEXURE B – SSG SHAREHOLDERS AND CONSIDERATION FOR ACQUISITION

Name ¹	Contact details	SSG Shares held as at the Execution Date ¹	Respective Proportion (%) ¹	ASX Co Consideration Shares ²	A Class Performance Shares ²	B Class Performance Shares ²	C Class Performance Shares ²
Meir Modlem	meir@multimodis.co.il	333,333	33.3%	1,096,666,667	166,666,667	166,666,667	166,666,666
Meidad Pariente	meidad@spacecialist.com	333,334	33.3%	1,096,666,667	166,666,667	166,666,666	166,666,667
Yonatan Shrama	yonishrama@gmail.com	333,333	33.3%	1,096,666,666	166,666,666	166,666,667	166,666,667
Roby Group				410,000,000			
Total		1,000,000	100%	3,700,000,000	500,000,000	500,000,000	500,000,000

Notes:

1. Subject to adjustment to reflect any approved transfer of SSG Shares before Settlement.
2. Subject to adjustment to reflect any consolidation of ASX Co's securities before Settlement.

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ANNEXURE C – ASX CO WARRANTIES

ASX Co makes the following representations and warranties to the Shareholders:

- (a) **Incorporations:** ASX Co is a corporation as that expression is defined in the Australian Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **Power and capacity:** ASX Co has full power and lawful authority to execute and deliver this Heads of Agreement and to observe and perform, or cause to be observed or performed, all of its obligations in and under this Heads of Agreement without breach or causing the breach of applicable laws.
- (c) **Authority:** the execution, delivery and (subject to Settlement) performance of this Heads of Agreement has been duly and validly authorised by all necessary corporate action on behalf of ASX Co;
- (d) **Issued capital:** no equity securities, debt securities, or hybrid securities are on issue in ASX Co other than as set out further below.
- (e) **No right to subscribe:** no person has any right or option to subscribe for or otherwise to acquire any further shares or other equity, debt or hybrid securities in ASX Co other than as set out below.
- (f) **Free of encumbrances:** on Settlement, ASX Co will be able to issue the Consideration Shares and Performance Shares without the consent of any other person and free of any encumbrance or pre-emptive rights or rights of first refusal.
- (g) **Encumbrances:** the Company and each of its subsidiaries (together, the **Group**) has not granted or registered and there is not in existence any encumbrance over any assets of the Group;
- (h) **No options:** There are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of ASX Co other than as set out below.
- (i) **No other allotments:** ASX Co is not under any obligation to allot any shares or any other equity, debt or hybrid securities to any person or persons, or otherwise to alter the structure of any part of its unissued share capital, and ASX Co is not under any obligation to give any option over any part of its unissued capital nor has ASX Co offered to do any of the matters stated in this paragraph other than as set out below.
- (j) **Fully paid:** 100% of the issued shares of ASX Co are fully paid and no money is owing in respect of them.
- (k) **Ranking:** the Consideration Shares will be credited as fully paid and rank pari passu in all respects with all other fully paid ordinary shares on issue;
- (l) **No legal impediment:** The execution, delivery and (subject to Settlement) performance by ASX Co of this Heads of Agreement complies with:
 - (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
 - (ii) the constitution or other constituent documents of ASX Co; and

(iii) any security interest or document, which is binding on ASX Co.

- (m) **(No Event of Insolvency):** no Event of Insolvency has occurred in relation to ASX Co or a member of the Group, nor is there any act which has occurred or to the best of its knowledge, is anticipated to occur which is likely to result in an event of insolvency in relation to ASX Co or a member of the Group;
- (n) **(No litigation):** ASX Co and any member of the Group is not a party to any investigation, prosecution, litigation, legal proceeding, arbitration, mediation or any other form of dispute resolution, and to the best of its knowledge no such proceedings are pending or threatened and there is no circumstance or fact that is likely to give rise to any such proceedings;
- (o) **No claims remain unpaid:** There are no material claims made but unpaid under any existing or previous insurance policies held by ASX Co, and no material threatened or pending claims, and there are no events or circumstances which may give rise to any such claim.
- (p) **No failure to claim:** ASX Co has not failed to give any notice or to present any claim with respect to its assets, undertaking or business under any existing insurance policy.
- (q) **Investigations:** ASX Co is not the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.
- (r) **Tax Investigations:** ASX Co is not the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.
- (s) **Compliance with laws and agreements:** ASX Co is not in material breach of any provision of any relevant laws or material contract or agreement to which ASX Co is party.
- (t) **Consistency:** The execution, delivery and (subject to Completion) performance of this Heads of Agreement by ASX Co does not conflict with or result in a breach of any obligation (including, without limitation, any statutory, contractual or fiduciary obligation) or constitute or result in any default under any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which ASX Co is a party or is subject or by which it is bound.
- (u) **Subsidiaries:** ASX Co does not have any subsidiaries and holds no interest or ownership in any other entity.
- (v) **Contracts:** Every material contract, instrument or other commitment to which ASX Co is a party is valid and binding according to its terms and no party to any such commitment or contract is in material default under the terms of that commitment or contract.
- (w) **Licenses and approvals:** ASX Co has all permits, licenses, authorities, registrations and approvals necessary for properly carrying on its business and ASX Co is not aware of any circumstance or fact which may result in the revocation, variation or non-renewal in any material respect of any such permits, licenses, authorities, registrations and approvals.
- (x) **All material information:** Any information known to ASX Co concerning ASX Co which might reasonably be regarded as material to a subscriber for value of ASX Co securities has been disclosed to SSG and the Shareholders and is true and accurate in all material respects.

- (y) **No Trust:** ASX Co enters into and performs this Heads of Agreement on its own account and not as trustee for or nominee of any other person.
- (z) **No profit sharing:** ASX Co is not a party to any agreement, arrangement or understanding where it is or will be bound to share profits or waive or abandon any rights, except as disclosed within or prior to the date of this Heads of Agreement.
- (aa) **No Power of Attorney:** There are no powers of attorney given by ASX Co in favour of any person which may come into force in relation to the business, assets or undertaking of ASX Co.
- (bb) **(Accounts):** the statutory financial statements of ASX Co and the Group for the financial period ended on the last half year and full year of ASX Co, together with the notes thereto:
- (i) present fairly and accurately in all material respects the financial position of ASX Co and the Group at the dates indicated and the statements of operations of ASX Co and the Group for the periods specified; and
 - (ii) have been prepared in conformity with A-IFRS or generally accepted accounting principles in Australia that were in effect at the date of , or period covered by, each such statement, as applicable;
- (cc) **(Cash Position):** as at the date of this Heads of Agreement, the cash position of ASX Co is approximately A\$1.5 million;
- (dd) **(Continuous disclosure):** ASX Co has complied with all material disclosure requirements under Australian law, including without limitation ASX Listing Rule 3.1 and is not withholding any information from the market; and
- (ee) **(Capital Structure):** the equity capital structure of ASX Co at Settlement will be as set out below (assuming no consolidation):

SHARES	
Shares on issue at execution	1,100,000,000
Consideration Shares ¹	3,700,000,000
Capital Raising Shares ²	1,200,000,000
Facilitation Shares	200,000,000
TOTAL	6,200,000,000

Note:

1. This assumes that no options in ASX Co are exercised and none of Milestones 1 to 3 are satisfied at Settlement.
2. This assumes the Capital Raising has taken place and raised A\$4.2 million at A\$0.0035 per Share for illustrative purposes only. The actual raising price must be at least A\$0.02 per Share under the ASX Listing Rules. Therefore, the number of Shares issued under the Capital Raising will depend on the raising price. If the Capital Raising offers A\$4.2 million worth of Shares at A\$0.02 per Share, a total of 210,000,000 Shares will be issued, and all of the number of Shares and options in the immediately preceding and succeeding table (respectively) shall be adjusted accordingly.

OPTIONS	
Unquoted options ¹	22,500,000
TOTAL²	22,500,000

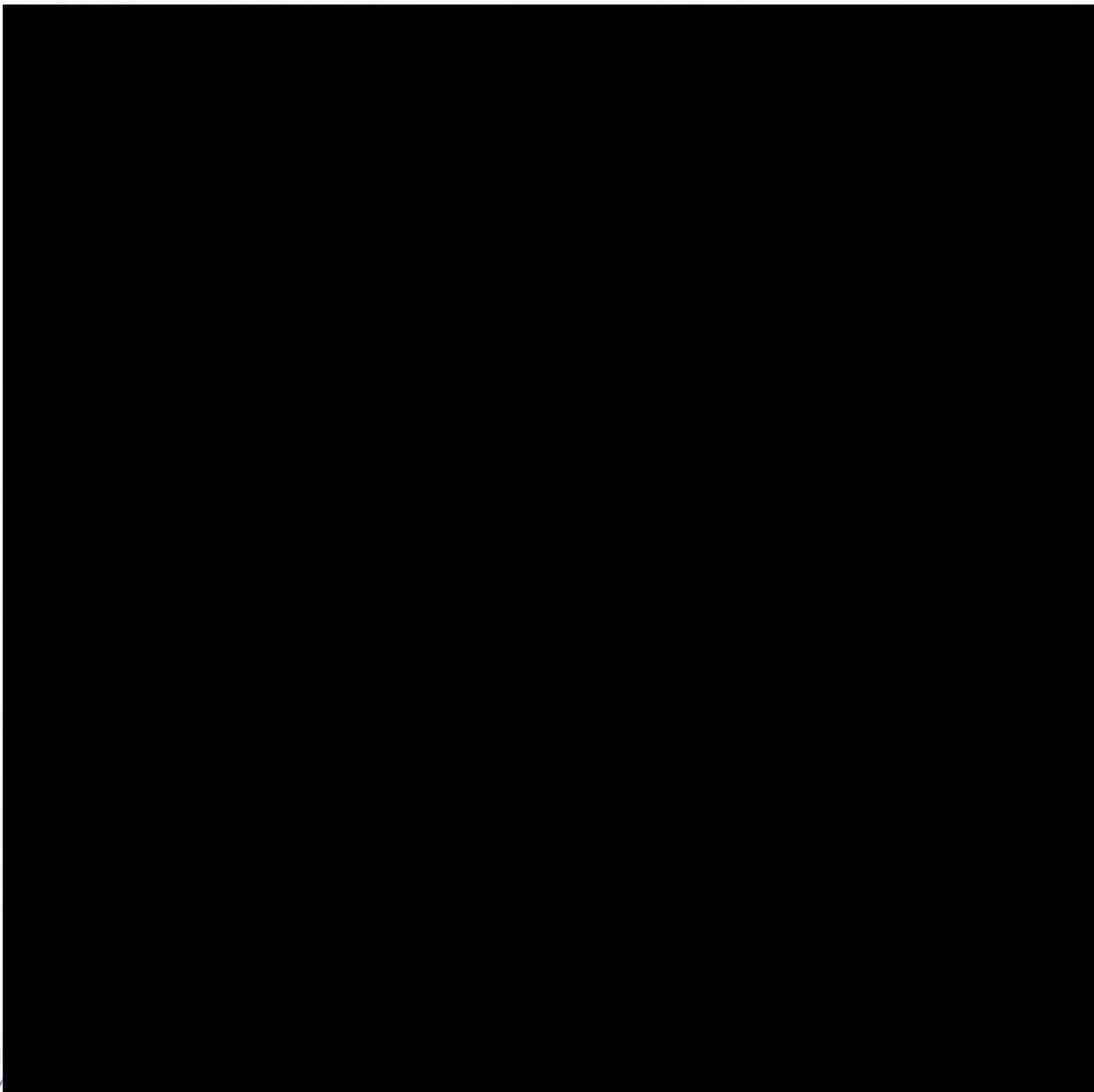
Notes:

1. Comprising: 18,500,000 options (exercise price A\$0.08, expiry 5 December 2015; 4,000,000 options (exercise price A\$0.03, expiry 1 December 2016.
3. This assumes that no options in ASX Co are exercised.

PERFORMANCE SHARES	
Existing Performance Shares	Nil
A Class Performance Shares	500,000,000
B Class Performance Shares	500,000,000
C Class Performance Shares	500,000,000
Total Performance Shares	1,500,000,000

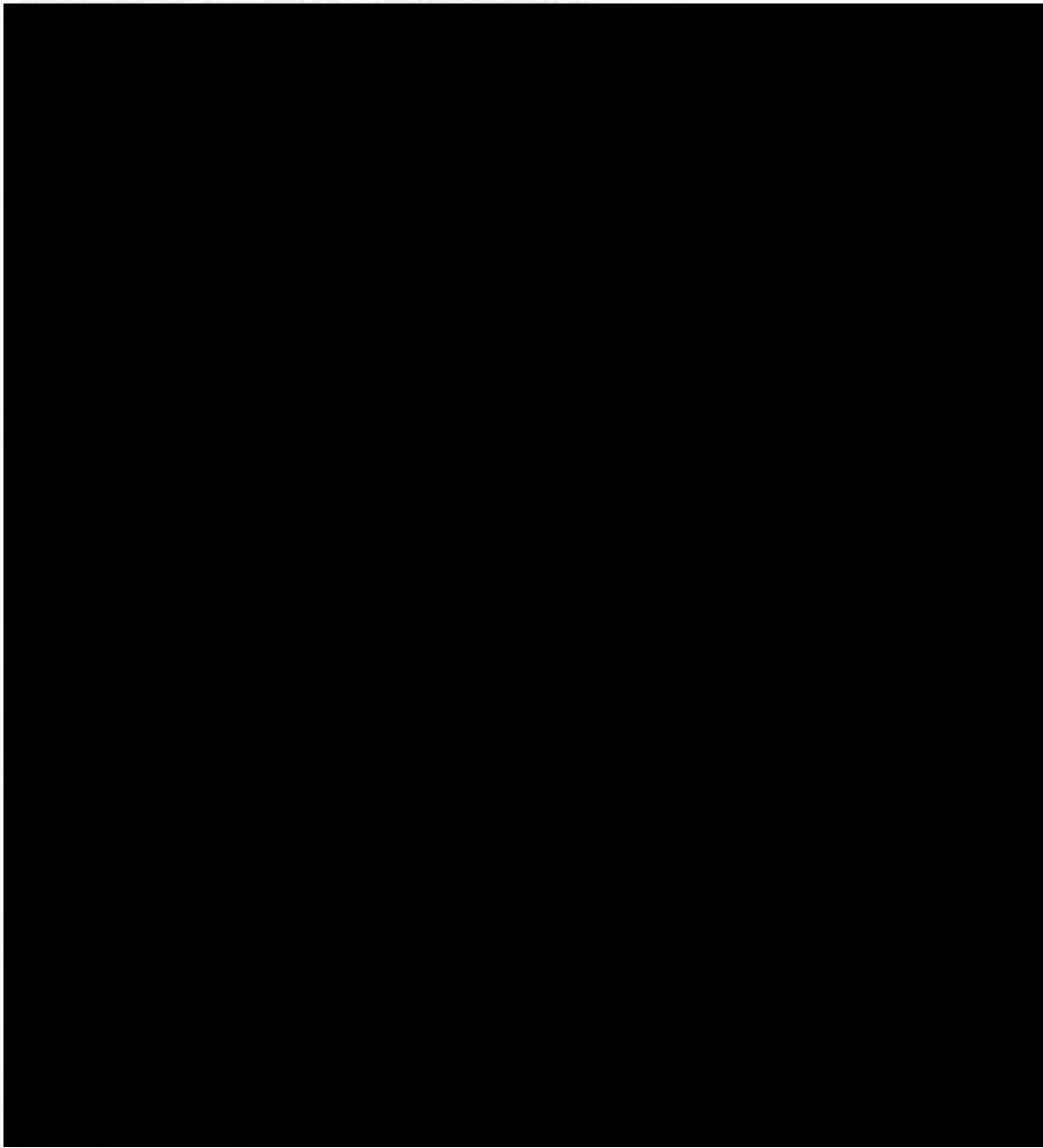
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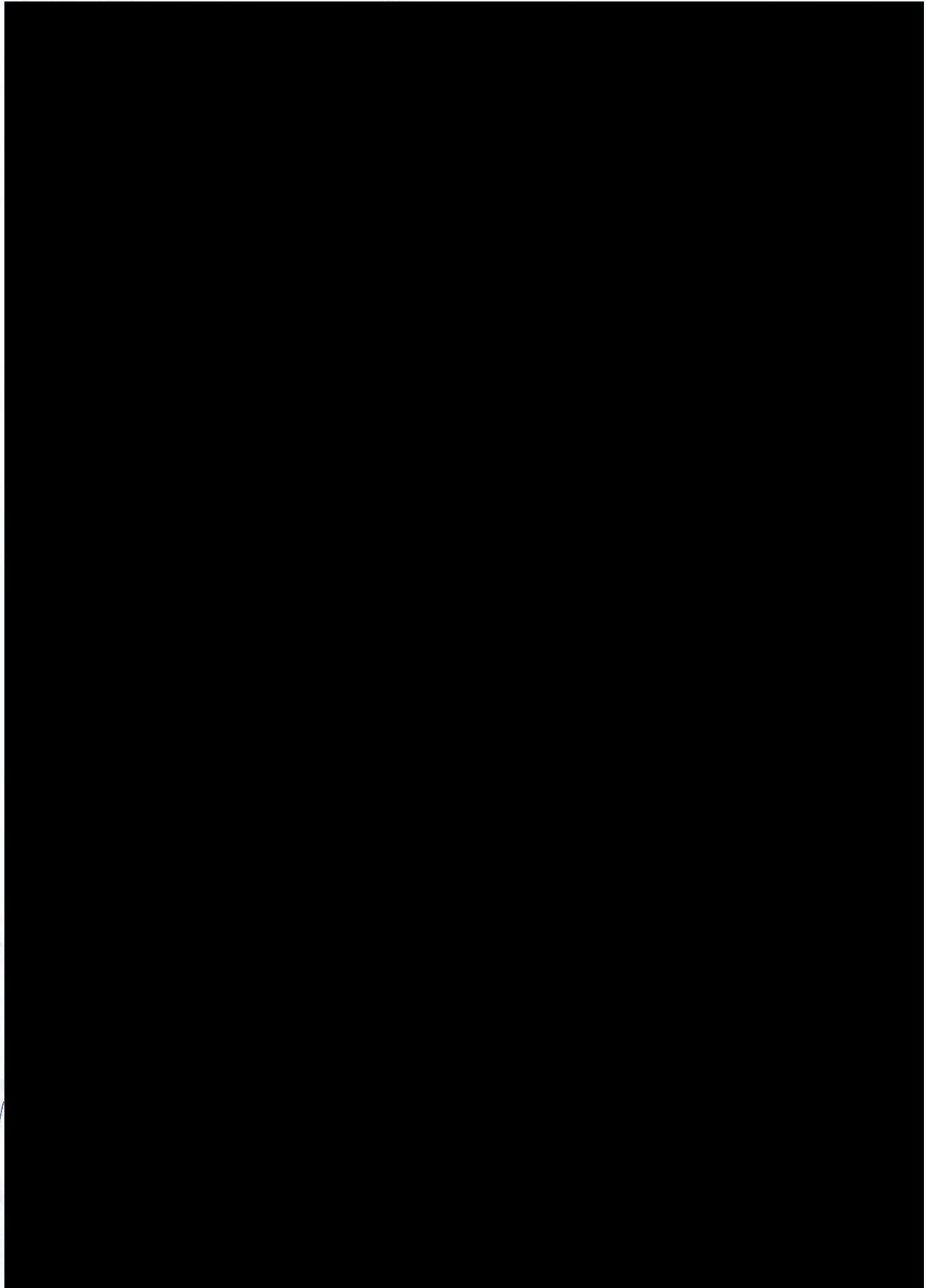


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ANNEXURE E — ASX CO BUDGET



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J.I.
D.I.
C.N.
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ANNEXURE F – SSG ASSETS



W.D
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L.I
O.W
C.N

ANNEXURE G – TERMS OF PERFORMANCE RIGHTS

The terms of Performance Rights are set out as follows:

- (a) **(Milestones):** ASX Co Performance Rights will have the following milestones attached to them:
- (i) **A Class Performance Rights:** SSG executes a launch contract for at least two nanosatellites within eighteen (18) months of Settlement (as defined below) – 500,000,000 Performance Shares (**Milestone 1**);
 - (ii) **B Class Performance Rights:** SSG completes the design and manufacture of a working nano satellite together with the integration of requisites systems and communication capability, including a Launch Readiness Review (LRR) of the nano satellite by its manufacturer to prove that the nano satellite is fully validated and tested for launch, within twenty four (24) months of Settlement – 500,000,000 Performance Shares (**Milestone 2**);
 - (iii) **C Class Performance Rights:** SSG successfully launches at least two nano satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement – 500,000,000 Performance Shares (**Milestone 3**); and
- (each referred to as a **Milestone**).
- (b) **(Notification regarding achievement of Milestone)** SSG shall notify ASX Co in writing when the relevant Milestones have been achieved, supported by tangible evidence, and ASX Co shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting):** The Performance Rights will vest on the date the Milestone relating to that Performance Right has been satisfied.
- (d) **(Consideration):** The Performance Rights will be issued for no consideration.
- (e) **(Conversion):** Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in ASX Co (**Share**).
- (f) **(Lapse):** Any Performance Right that has not vested on or prior to its due date for satisfaction will automatically lapse.
- (g) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (h) **(Listing of shares on ASX):** ASX Co will not apply for quotation of the Performance Rights on ASX. However, ASX Co will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (i) **(Transfer of ASX Co Performance Rights):** ASX Co Performance Rights are not transferable.

- (j) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (l) (Reorganisation of Capital), Holders of ASX Co Performance Rights will not be entitled to participate in new issues of capital offered to holders of ASX Co Shares such as bonus issues and entitlement issues.
- (k) **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (l) **(Reorganisation of Capital):** In the event that the issued capital of ASX Co is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.
- (m) **(Dividend and Voting Rights):** Performance Rights do not confer on the holder an entitlement to vote or receive dividends.
- (n) **(Change in Control):** Upon:
- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of ASX Co and:
 - (E) having received acceptances for not less than 50.1% of ASX Co's shares on issue; and
 - (F) having been declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of ASX Co or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into ASX Co Shares due to satisfaction of a Milestone, ASX Co Performance Rights will automatically convert to that number of ASX Co Shares which when issued together with all ASX Co Shares issued under any other class of Performance Rights then on issue in ASX Co, is equal to the lesser of one ASX Co Share per Performance Right and 10% of the total ASX Co Shares on issue at that time. ASX Co Performance Rights that are not converted into ASX Co Shares will continue to be held by the holder on the same terms and conditions.

VARIATION OF BINDING HEADS OF AGREEMENT

Burleson Energy Limited (ACN 117 770 475) (**BUR**) refers to the binding heads of agreement executed on 30 November 2015 (**Agreement**) between BUR, Sky and Space Global (UK) Limited (**SSG**), Meir Moalem, Maya Glickman, Meidad Pariente and Yonatan Shrama (**Parties**) for the acquisition by BUR of 100% of the issued shares in SSG on certain terms and conditions.

Unless specified otherwise, terms defined in the Agreement have the same meanings in this letter.

The Parties have agreed to vary the Agreement as follows:

- (a) that clause 2(e) be deleted and replaced with the following:
"(e) The full terms of the Performance Shares are set out in Annexure G."
- (b) that clause 3 be amended by deleting the words "that date which is four (4) months from the date of this Heads of Agreement" and replacing those words with the following:
"2 May 2016"
- (c) that Annexure B "SSG Shareholders and Consideration for Acquisition" be deleted and replaced with the information set out in Schedule 1 of this letter;
- (d) that Annexure G "Terms of Performance Rights" be deleted and replaced with the information set out in Schedule 2 of this letter; and
- (e) that Chitta Lu Ltd, Platypus Investments Ltd and Doron Zauer be added as Parties to the Agreement and that each of Chitta Lu Ltd, Platypus Investments Ltd and Doron Zauer agree to be bound by the terms of the Agreement in their capacity as Shareholders.

Other than as varied by this letter of variation, the terms and conditions of the Agreement remain in full force and effect.

Please record your agreement to the above variation by arranging execution of this letter.

Date: 22 March 2016

EXECUTED AS A DEED by
BURLESON ENERGY LIMITED
ACN 117 770 475
in accordance with section 127 of the
Corporations Act 2001 (Cth);

Signature of director

Name of director

Signature of director/company
secretary

Name of director/company secretary

EXECUTED AS A DEED by
SKY AND SPACE GLOBAL (UK) LIMITED
in accordance its constituent documents
and place of incorporation:

Signature of director

Meir Moalem

Name of director

Signature of director/company
secretary

Meidad Pariente

Name of director/company secretary

SIGNED, SEALED AND DELIVERED by MEIR
MOALEM in the presence of:

Signature of witness

Meidad Pariente

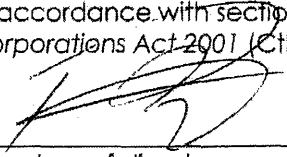
Name of witness

Signature

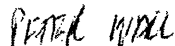
Date: _____

**EXECUTED AS A DEED by
BURLESON ENERGY LIMITED
ACN 117 770 475**

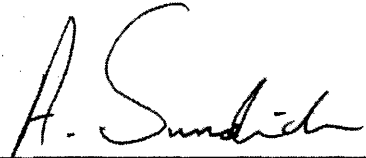
in accordance with section 127 of the
Corporations Act 2001 (Cth):



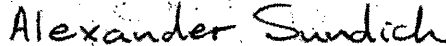
Signature of director



Name of director



Signature of director/company
secretary



Name of director/company secretary

**EXECUTED AS A DEED by
SKY AND SPACE GLOBAL (UK) LIMITED**
in accordance its constituent documents
and place of incorporation:

Signature of director

Name of director

Signature of director/company
secretary

Name of director/company secretary

**SIGNED, SEALED AND DELIVERED by MEIR
MOALEM** in the presence of:

Signature of witness

Name of witness

Signature

SIGNED, SEALED AND DELIVERED by)
MAYA GLICKMAN in the presence of:)



Signature of witness

Meidad Pariente

Name of witness



Signature

SIGNED, SEALED AND DELIVERED by)
MEIDAD PARIENTE in the presence of:)



Signature of witness

Maya Glickman

Name of witness



Signature

SIGNED, SEALED AND DELIVERED by)
YONATAN SHRAMA in the presence of:)



Signature of witness

Doron Zauer

Name of witness



Signature

EXECUTED AS A DEED by)
CHITTA LU LTD)
in accordance its constituent documents)
and place of incorporation:)
)

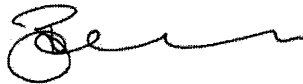
Signature of director

Signature of director/company
secretary

Name of director

Name of director/company secretary

EXECUTED AS A DEED by)
PLATYPUS INVESTMENTS LTD)
in accordance its constituent documents)
and place of incorporation:)
)



Signature of sole director

Brett Mitchell

Name of sole director

SIGNED, SEALED AND DELIVERED by)
DORON ZAUER in the presence of:)
)

Signature of witness

Signature

Name of witness

EXECUTED AS A DEED by)
CHITTA LU LTD)
in accordance its constituent documents)
and place of incorporation:)

Signature of director

Signature of director/company
secretary

Name of director

Name of director/company secretary

EXECUTED AS A DEED by)
PLATYPUS INVESTMENTS LTD)
in accordance its constituent documents)
and place of incorporation:)

Signature of director

Signature of director/company
secretary

Name of director

Name of director/company secretary

SIGNED, SEALED AND DELIVERED by)
DORON ZAUER in the presence of:)



Signature of witness

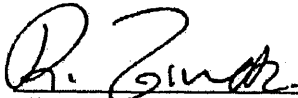


Signature

Meir Moalem

Name of witness

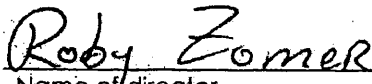
EXECUTED AS A DEED by
CHITTA LU LTD
in accordance its constituent documents
and place of incorporation:



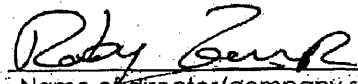
Signature of director



Signature* of director/company
secretary



Name of director



Name of director/company secretary

EXECUTED AS A DEED by
PLATYPUS INVESTMENTS LTD
in accordance its constituent documents
and place of incorporation:

Signature of director

Signature of director/company
secretary

Name of director

Name of director/company secretary

SIGNED, SEALED AND DELIVERED by
DORON ZAUER in the presence of:



Signature of witness



Signature

Meir Moalem

Name of witness

SCHEDULE 1**ANNEXURE B – SSG SHAREHOLDERS AND CONSIDERATION FOR ACQUISITION**

Name	Contact details	SSG Shares held as at the execution of Variation to Binding Heads of Agreement	Consideration Shares	A Class Performance Shares	B Class Performance Shares	C Class Performance Shares
Meir Modlem	meir@skyandspace.global	288,462	219,333,334	25,333,333	25,333,333	30,000,000
Meidad Pariente	meidad@skyandspace.global	288,462	219,333,333	25,333,333	25,333,334	30,000,000
Yonatan Shrama	yonatan@skyandspace.global	288,462	219,333,333	25,333,334	25,333,333	30,000,000
Chitta Lu Ltd	zomerrobby@gmail.com	35,480	36,900,000	-	-	-
Platypus Investments Ltd	zomerrobby@gmail.com	43,365	45,100,000	-	-	-
Doron Zauer	doron@skyandspace.global	55,769	-	24,000,000	24,000,000	10,000,000
Total		1,000,000	740,000,000	100,000,000	100,000,000	100,000,000

Note:

The figures above are based on the consolidation of BUR's securities on a 1:5 basis – i.e. $3,700,000,000 / 5 = 740,000,000$ Consideration Shares and $1,500,000,000 / 5 = 300,000,000$ Performance Shares.

SCHEDULE 2

ANNEXURE G – TERMS OF PERFORMANCE SHARES

The terms of the Performance Shares are set out as follows:

1. Rights attaching to the Performance Shares

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of Burleson Energy Limited (ACN 117 770 475) (**BUR**).
- (b) **(General meetings):** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of BUR that are circulated to the holders of fully paid ordinary shares in the capital of BUR (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (c) **(No voting rights):** A Performance Share does not entitle the Holder to vote on any resolutions proposed by BUR except as otherwise required by law.
- (d) **(No dividend rights):** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up):** A Performance Share does not entitle the Holder to participate in the surplus profits or assets of BUR upon winding up.
- (g) **(Not transferable):** A Performance Share is not transferable.
- (h) **(Reorganisation of capital):** If at any time the issued capital of BUR is reconstructed (including a consolidation, subdivision, reduction, cancellation or return of issued share capital), all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **(Application to ASX):** The Performance Shares will not be quoted on ASX. However, if BUR is listed on ASX at the time of conversion of the performance shares into fully paid ordinary shares (**Shares**), BUR must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.
- (j) **(Participation in entitlements and bonus issues):** A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Amendments required by ASX):** The terms of Performance Share may be amended as necessary by the BUR board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

- (l) **(No Other Rights):** A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. **Conversion of the Performance Shares**

- (a) **(Milestones):** A Performance Share in the relevant class will convert into one Share upon achievement of:

- (i) **A Class Performance Shares:** SSG executes a launch contract for at least two nanosatellites within eighteen (18) months of Settlement (**Milestone 1**);
- (ii) **B Class Performance Shares:** SSG completes the design and manufacture of a working nano satellite together with the integration of requisites systems and communication capability, including a Launch Readiness Review (LRR) of the nano satellite by its manufacturer to prove that the nano satellite is fully validated and tested for launch, within twenty four (24) months of Settlement (**Milestone 2**); and
- (iii) **C Class Performance Shares:** SSG successfully launches at least two nano satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement (**Milestone 3**);

(each referred to as a **Milestone**).

- (b) **(Conversion on change of control):** Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of BUR having received acceptances for more than 50% of BUR's shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of BUR or its amalgamation with any other company or companies,

that number of Performance Shares that is equal to a maximum of 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(c) **(Takeover Provisions)**

- (i) If the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this clause 22(c), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
 - (ii) The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) will not result in any person being in contravention of section 606(1).
 - (iii) The Company may (but is not obliged to), by written notice, request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) may result in the contravention of section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) may result in the contravention of section 606(1), then the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 22(a) or 22(b) will not result in any person being in contravention of section 606(1).
- (d) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the required date, then the total number of Performance Shares on issue to each Holder will convert into one (1) Share.
- (e) **(Conversion Procedure):** BUR will issue the Holder with a new holding statement for the Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.
- (f) **(Ranking upon conversion)** The Share into which a Performance Share may convert will rank pari passu in all respects with the existing BUR Shares.