



ABN 73 122 948 805

27 July 2011

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam

NON-RENOUNCEABLE RIGHTS ISSUE – SHORTFALL NOTIFICATION

Island Sky Australia Limited ("Island Sky") announces that its non-renounceable rights issue ("Rights Issue") closed on 22 July 2011. The Prospectus for the Rights Issue was lodged with the Australian Securities and Investments Commission and ASX on 24 June 2011, to raise approximately \$714,255 (before costs and expenses).

At the close of the Rights Issue, Island Sky had received applications from eligible shareholders for 27,777,921 ordinary shares totaling \$138,886.61.

The shortfall amount is 115,073,077 shares totaling \$575,365.39.

The Rights Issue is fully underwritten. Island Sky confirms that the underwriters have been notified of the shortfall amount. The total number of shares to be issued under the Rights Issue will be 142,850,998.

The new shares are expected to be issued, and holding statements dispatched, on Tuesday 2 August 2011.

Yours sincerely

Rajita Alwis
Company Secretary