



ASX Release  
9 September 2011

## CAPITAL MANAGEMENT INITIATIVES

**NewSat Limited (ASX: NWT; OTC: NWTLY)** (“NewSat” or the “Company”), Australia’s satellite company, is proposing the following initiatives:

- A share consolidation of fifty existing shares for one new share, subject to shareholder approval
- A voluntary share sale facility and top-up facility for small shareholders, free from transaction costs

### **Proposed 50 for 1 share consolidation**

NewSat is pleased to announce that it proposes to implement a 50 for 1 share consolidation subject to shareholder approval.

The Company has approximately 8.8 billion shares on issue with a market capitalisation of approximately \$88 million as at the close of business 8 September 2011. This is not an appropriate number of securities on issue, as many potential institutional investors are precluded by their charters, mandates or practices from investing in stocks such as NewSat while the shares are trading at a fraction of a cent.

Post consolidation, there will be approximately 176 million shares on issue with an anticipated commensurate change in the share price, which will be more consistent with the capital structures of the Company’s peer group.

In accordance with the Corporations Act, a resolution will be put to shareholders at the Extraordinary General Meeting of the Company tentatively scheduled to be held on 17 October 2011. The resolution will propose that every 50 ordinary shares held by a shareholder be converted into one ordinary share (with fractional entitlement rounded up).

If the resolution is passed, the number of ordinary shares and options on issue and the exercise price of the options will be adjusted in accordance with the ASX Listing Rules.

Further information will be provided in the explanatory statement to accompany the notice of meeting for the Extraordinary General Meeting.

### **Proposed voluntary share sale facility and top up facility**

The voluntary share sale and top up facilities will allow shareholders who hold shares with a total market value of less than \$2,000 at a date to be specified by the Company (“Eligible Shareholders”) the opportunity to either:

- a) Sell all of their holding; or
- b) Buy additional shares with a minimum market value of \$500 and up to a maximum market value of \$5,000 (exclusive of the market value of their existing holding).

Eligible Shareholders may only participate in either, but not both, of the share sale facility or the top up facility.

Transactions under either facility are free from brokerage charges and will be conducted on-market. The price for transactions under both facilities will be referenced to the market price on the date that the facilities close when the net difference between total share sale requests and total top up requests is transacted on market by a share broker appointed by the Company for this purpose.

#### **NewSat Limited**

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**No action is required at this time. The Company will release further details in a notice of meeting to be sent out separately.**

Yours sincerely,

**Adam Shapiro**  
CFO and Company Secretary

**About NewSat Limited:**

NewSat Limited (ASX: NWT; OTC: NWTLY) is Australia's largest specialist satellite communications company, delivering Internet, voice, data and video communications via satellite. With its unique-to-Australia Teleport infrastructure, NewSat provides a full range of managed satellite communication services and has established a reputation as the partner of choice for governments, corporations and private enterprises. Today, NewSat has the ability to provide coverage to 75% of the globe; from Australia, Asia, the Middle East, Africa, across the Indian Ocean extending into Europe and across the Pacific Ocean, reaching into the West coast of the USA.

NewSat's world acclaimed Teleports in Perth (Western Australia) and Adelaide (South Australia) were finalists in the World Teleport Association's Awards for Excellence in 2010. Both Teleports are accredited to supply services to the Australian Department of Defence (DRSS) and are recognised as highly secure Global Access Points, supporting certified classified networks to ensure the transmission of vital and sensitive information for government clients.

NewSat will be expanding its satellite capabilities with the Jabiru Satellite Program, beginning with the launch and operation of Jabiru-1, Australia's first independently owned commercial satellite. Jabiru-1, a large hybrid Ku- and Ka-band next generation satellite, will provide superior coverage over South East Asia, the Middle East and North Africa. Jabiru-2, also scheduled, will deliver enhanced coverage in and around Australia. NewSat has rights to seven premium orbital slots and its fleet of next generation geostationary satellites will lead Australia's space quest.

**About Jabiru Satellite Program:**

Jabiru-1 is NewSat's first geostationary communications satellite which will provide high-powered satellite capacity to high value customers in the military, defence and government markets as well as other enterprise segments such as resources. NewSat already serves many of these customers from its world recognised Teleport facilities and the vertical integration of owning a satellite will dramatically increase NewSat's ability to secure large capacity contracts and significantly increase EBITDA margins. NewSat has rights to seven premium orbital slots, which provides a significant growth opportunity above and beyond Jabiru-1.

**For further information:**

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