



ABN 73 122 948 805

Thursday, September 5 2013

General Manager
The Company Announcements Office
Australian Securities Exchange Limited
Australia Square
Sydney NSW 1215

Dear Sir/Madam,

Working Capital Placement Completed

Island Sky Australia Limited (ASX:ISK) ("Island Sky" or the "Company") is pleased to announce that it has agreed to place 85,710,500 ordinary shares at \$0.004 per share as part of a two-tranche placement, to professional and sophisticated investors.

The placement represents 30% of the Company's issued securities, with 15% of the shares being issued immediately under the Company's 15% placement capacity available under ASX Listing Rule 7.1., ("Tranche 1") and the remaining 15% subject to shareholder approval to be conducted at a meeting of its members ("Tranche 2"). Details of this General meeting will be announced to the market shortly.

Participants in the Tranche 1 placement will receive one free attaching option exercisable at \$0.005 on or before 5 September 2015 for every share applied for under the Tranche 1 placement. The attaching options will be issued subject to shareholder approval.

Monies received and securities issued as part of the placement will be used for general working capital requirements as the Company continues to seek additional business opportunities following the sale of a 75% interest in the Company's air to water machine subsidiary in October 2012. In addition, a portion of the Tranche 2 placement will be used to extinguish outstanding loans and expenses incurred over the last 12 months.

Full details of the conversion of outstanding loans and expenses will be contained in the Notice of Meeting to be dispatched to shareholders prior to the General Meeting of shareholder's that will be called by the Company shortly.

Registered Office

Level 3, 100 Pirie Street, Adelaide SA 5000

www.islandsky.com

t +61 8 8232 2550 f +61 8 8232 2540



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Trading halt

The Company wishes to remain in a trading halt pending the release of a corporate update by the Company.

For further information please contact:

Rajita Alwis
Company Secretary
Island Sky Australia Limited
(08) 8232 2550

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Level 3, 100 Pirie Street, Adelaide SA 5000
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