

12 January 2017

ASX Code: SAS

New Customer Secured for “3 Diamonds” Bandwidth

Highlights

- New commercial wholesale customer agreement secured with BeepTool LLC via a Letter of Intent for a portion of the Company's bandwidth from its 3 demonstration nano-satellites – the “3 Diamonds”
- BeepTool is a mobile payments, messaging and voice app that is used by over 800,000 customers across the African continent and globally
- Agreement represents Sky and Space Global's first entry into Africa's large mobile banking and financial services sector
- Signals further commercial validation and de-risking of SAS's nano-satellite offering, following the signing of SAS's first wholesale customer, Sat-Space Africa in March 2016 and their additional customers as announced in August 2016
- Agreement with BeepTool further confirms SAS's potential to generate early stage revenue from its “3 Diamonds” demonstration nano-satellites during 2017, ahead of the Company's planned progression toward a full constellation of up to 200 nano-satellites from mid-2018

Sky and Space Global Ltd (ASX: **SAS**, “**Sky and Space Global**” or the “**Company**”) is pleased to advise that it has secured a new commercial wholesale contract for communications bandwidth from its initial 3 nano-satellites, the “3 Diamonds”. The Company has entered into an agreement with the African-based mobile communications company, BeepTool LLC via a Letter of Intent for a portion of the bandwidth from the Company's “3 Diamonds” commencing in 2017.

BeepTool is a mobile payments, messaging and voice app that is used by over 800,000 customers across the African region and globally. Since launching in 2014, the BeepTool's app continues to experience significant user growth and uptake and currently has a presence in over 50 countries across the globe.

The app operates in Africa's rapidly growing mobile money transfers and payments market. This agreement represents Sky and Space Global's first entry into the mobile banking and financial services market which is expected to be a strong future demand driver for communications bandwidth.

Under the terms of the agreement, BeepTool will collaborate with Sky and Space Global on a pilot program integrating the BeepTool app with Sky and Space Global's communication bandwidth software systems. Following a successful outcome of the pilot, BeepTool has agreed to purchase from SAS all the available communications bandwidth that is required by BeepTool to fill its bandwidth demand. The Letter of Intent is a preliminary commercial agreement, both parties will enter negotiation of key commercial and operational terms and thereafter the execution of a definitive agreement in due course.

The Company's agreement with BeepTool signifies the further commercial validation and de-risking of Sky and Space Global's nano-satellite offering. BeepTool represents the Company's second customer for its communication bandwidth, following the signing of Sat-Space Africa Ltd, announced to the market in March and August 2016.

In addition, the agreement demonstrates the potential for early stage revenue for the Company from its 3 demonstration nano-satellites. Following the successful commercial demonstration of the Company's initial 3 nano-satellites, the "3 Diamonds", SAS intends to launch an equatorial constellation of up to 200 nano-satellites from mid-2018. The quantum of bandwidth created from the full constellation of nano-satellites has the potential to generate revenues of circa \$500 million to \$1b per annum.

Sky and Space Global's CEO, Mr. Meir Moalem said:

"We are pleased to have secured further early stage commercialisation via this agreement. BeepTool has a strong and growing presence across the African continent and we look forward to working together to bring communications coverage to millions of people across the African continent."

"Our relationship with BeepTool represents our first entry into the mobile payments and financial services sector. We expect the African mobile payments and transfers market to be an area of strong growth in the years ahead. This presents a substantial opportunity for our Company as these services will require the affordable communications coverage that our nano-satellites will provide."

BeepTool CEO, Precious Ada Enoh said:

"BeepTool and Sky and Space Global have a shared vision to provide affordable communications services to millions of people across the African continent and we look forward to working together in the years to come"

"We operate in the booming mobile money market which continues to grow across Africa, especially in areas of poor connectivity. With the future assistance of Sky and Space Global, we can continue to expand our business and allow users to call, text and transfer money in geographic areas that currently lack adequate communications coverage."

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For further information, please contact:

Media

Ben Grubb
Media & Capital Partners
P: +61 414 197 508
E: ben.grubb@mcpartners.com.au

Sky and Space Global Ltd

Brett Mitchell
Executive Director - Australia
P: +61 8 9389 2000
E: brett@skyandspace.global

About Sky and Space Global Ltd

World Experts and Highly Disruptive Business Plan

Sky and Space Global Ltd owns 100% of Sky and Space Global (UK) Limited, a UK incorporated company with European and Israeli centres of Aerospace, Satellite and Software Industry Experts, plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The Company is now fully funded beyond the Q2 2017 launch of its “3 Diamonds” pilot network with the Indian Space Research Organization, following the completion of the Company’s recent capital raising.

The core Sky and Space Global business is to construct a communications infrastructure based on nano-satellite technology and develop the highly complex and sophisticated software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give a global coverage.

Sky and Space Global aims to provide low cost, nano-satellite communication coverage on an anywhere to everywhere base with relatively low maintenance costs. Due to the experience and expertise of the founders in the aerospace industry, the business will be able to develop with inherent upgrading capabilities within short intervals, utilising their unique IP-nanosat software protocols.

About BeepTool

BeepTool is a community of more than half a million users who rely on its ‘talk and text’ app to stay connected with loved ones, share files, send small amounts of money instantly to Nigeria bank accounts and mobile money wallets and pay for goods and services in Nigeria from any country of the world and airtime top-ups around the world in real time and conduct their businesses.

Its fast-growing platform is the lowest-cost service for calls and messaging, offering free communication between Internet users and nearly free connection with mobile and landline phones. Founded in Lagos, Nigeria, in 2014, BeepTool has spread across more than 50 countries. BeepTool apps are easy to use and available for free download for Android, iPhone, Windows and Mac from the Google Play and iTunes app stores or from the BeepTool website.