



ASX Release
20 December 2011

NEWSAT OFFERS EARLY OPPORTUNITY FOR SHAREHOLDERS TO PARTICIPATE IN SATELLITE BUILD VIA RIGHTS ISSUE & PLACEMENT

- **Underwritten non-renounceable rights issue to \$10m**
- **Placement of \$10m secured with heavy-weight investors**
- **Funds raised to expedite Jabiru-1 satellite construction and launch**

NewSat Limited (ASX: NWT; OTC: NWTLY), Australia's satellite company, is pleased to announce a partially underwritten non-renounceable rights issue / placement to raise up to \$36 million.

The proceeds from this capital raising will be used to:

- Provide financial capacity for deposits on key satellite and launch components;
- Provide working capital to expedite phases to satellite launch; and
- Strengthen NewSat's balance sheet

The rights issue will be offered on the basis of one (1) new share for every four (4) shares held, at an application price of sixty (60) cents per share which if fully subscribed would raise an amount of approximately \$26 million. E.L.&C. Baillieu have been appointed as lead manager and underwriter. The rights issue is underwritten to \$10 million. Lazard have acted as financial advisors to the company on the transaction.

As part of the capital raising, \$10 million has already been placed with sophisticated investors and internationally recognised financial institutions.

Lockheed Martin, NewSat's appointed satellite manufacturer, is currently procuring the critical components of the satellite on an accelerated basis, hence the need to raise capital earlier than expected. NewSat has already commenced contributing funds to the procurement, and will continue to contribute in accordance with the satellite procurement agreement. In addition, NewSat will also make a payment to Arianespace for their provision of launch facilities for the satellite.

NewSat has currently applied to the French and U.S. based export credit agencies for funding for Jabiru-1. Recently, preliminary advice was received indicating the project qualifies and is on track for funding commitments from both COFACE and U.S. Ex-Im Bank. Final approvals are expected early in the second quarter of 2012.

In commenting on the capital raising, Adrian Ballintine, NewSat Founder and CEO said:

"With demand for satellite communications constantly growing and NewSat's Jabiru Satellite Program continuing to achieve major launch milestones, it's a great opportunity for our shareholders to increase their participation in NewSat. Commencing earlier than expected is a bonus because our completion date drives revenue earlier."

"The construction of the Jabiru-1 satellite is underway with Lockheed Martin and funds raised will ensure the project stays on track for launch in the second half of 2014 with Arianespace. So far we have secured US\$346 million in prelaunch customer contracts and have a promising US\$575 million sales pipeline, all of which have assisted us to successfully move to the next stage of export credit funding with U.S. Ex-Im Bank and Coface."

NewSat Limited

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“NewSat is rapidly transforming from a Teleport operator into a global satellite operator, with an aggressive multiple satellite strategy, which will deliver a dramatic step change in earnings and margins and drive significantly greater shareholder value.”

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 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. For more information please visit www.newsat.com

About Jabiru Satellite Program:

Jabiru-1 is NewSat’s first geostationary communications satellite and will provide high-powered satellite capacity to high value customers across 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. Over its 15 year life, Jabiru-1 is expected to achieve revenues and net profit of over US\$2 billion and US\$1 billion, respectively. NewSat has rights to seven premium orbital slots, which provides significant growth opportunity above and beyond Jabiru-1. All contracts are subject to the successful launch of the satellite and NewSat completing the required credit checks.

About E.L. & C. Baillieu:

Established in 1889, E.L. & C. Baillieu is an independently owned firm that has developed a reputation as one of Australia’s oldest and most respected financial service providers. Baillieu has a highly experienced Corporate team with comprehensive capabilities across equity capital markets, debt markets and mergers and acquisitions, providing high quality research coverage with 10 dedicated small/mid cap analysts. Baillieu provides powerful distribution with over 70 retail & institutional advisors operating from offices located in Melbourne, Sydney, Bendigo, Newcastle, Perth & London. For more information on E.L. & C. Baillieu, please visit www.baillieu.com.au



About Lazard:

Lazard, one of the world's preeminent financial advisory and asset management firms, operates from 42 cities across 27 countries in North America, Europe, Asia, Australia, Middle East, Central and South America. With origins dating back to 1848, the firm provides advice on mergers and acquisitions, strategic matters, restructuring and capital structure, capital raising and corporate finance, as well as asset management services to corporations, partnerships, institutions, governments and individuals. For more information on Lazard, please visit www.lazard.com

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