

NEWSAT LIMITED

ABN 12 003 237 303

ENTITLEMENT OFFER BOOKLET

For a 1 for 4 non-renounceable Entitlement Offer of New Shares at \$0.60 each with the ability to apply for additional shares

The Entitlement Offer is partially underwritten by E.L. & C. Baillieu Stockbroking Ltd to \$10 million

E.L.&C. Baillieu
Founded 1889

This is an important document and you should read it in its entirety. If you are in any doubt about how to deal with this document, please consult your stockbroker or other professional adviser.

IMPORTANT INFORMATION

This Booklet and your accompanying personalised Entitlement and Acceptance Form ("Information") have been prepared by NewSat Limited. This Information is dated 4 January 2012. No party other than NewSat has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information. All dollar values in this Booklet are in Australian dollars [A\$].

You should read this Information carefully and in its entirety before deciding whether to invest in NewSat. In particular, you should refer to the Investor Presentation in connection with the Entitlement Offer lodged with ASX on 21 December 2011 and section headed "Risk Factors" of the Investor Presentation that could affect the operating and financial performance of NewSat or the value of an investment in NewSat.

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act. The Information is not a prospectus or any other form of disclosure document regulated by the Corporations Act and has not been lodged with ASIC. It is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Information does not purport to contain all the information that you may require to evaluate an investment in NewSat.

Before deciding whether to take up your entitlement and apply for additional new shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Offer, you should contact your stockbroker, accountant or other professional adviser.

This Information does not constitute an offer in and is not to be distributed in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Refer to section 2.11 for further information in respect of the jurisdictions in which the Offer extends to.

SUMMARY OF THE ENTITLEMENT OFFER

Issue price	\$0.60
Your entitlement	To take up 1 share for every 4 shares held on the Record Date with the ability for Eligible Shareholders to apply for additional shares in excess of their entitlement

KEY DATES*

Record Date	7.00 pm on 30 December 2011
Entitlement Offer opens	4 January 2012
Entitlement Offer closes	25 January 2012
Issue of New Shares under the Entitlement Offer	31 January 2012
Dispatch of holding statements	3 February 2012
Normal T+3 trading of New Shares issued under the Entitlement Offer expected to commence on ASX	6 February 2012

* Dates and times are indicative only and subject to change. All times refer to Melbourne time.

NewSat, in consultation with E.L. & C. Baillieu Stockbroking Ltd ("Underwriter"), reserves the right to modify these dates without prior notice subject to the ASX Listing Rules.

ENQUIRIES

For any enquiries about how to take up your Entitlement or apply for Additional Shares and the NewSat share on which your Entitlement is based please call Computershare, the Company Share Registry on 1 300 558 403 (within Australia), otherwise contact your stockbroker, accountant or other professional adviser.



4 January 2012

Dear Eligible Shareholder,

NewSat Capital Raising – Entitlement Offer

As advised to shareholders on 20 December 2011, on behalf of NewSat Limited, I am pleased to invite you to participate in a 1 for 4 non-renounceable pro-rata Entitlement Offer of NewSat shares ("New Shares") at an offer price of \$0.60 each (the "Entitlement Offer") to raise up to approximately \$26 million before costs.

The Entitlement Offer is partially underwritten by E.L. & C. Baillieu Stockbroking Ltd to \$10 million. The directors have reserved the right to place any shortfall.

The structure of the capital raising is in the form of a pro-rata Entitlement Offer, providing the opportunity for all eligible Shareholders to participate. The Offer price of \$0.60 represents a discount of 13% to the five day volume weighted average price (VWAP) of NewSat shares as at the close of trading on ASX on 16 December 2011, being the last day of trading on ASX of NewSat shares before the Entitlement Offer was announced.

NewSat intends to use the proceeds from the Entitlement Offer to strengthen the Company's balance sheet, provide financial capacity for deposits on key satellite and rocket components and provide working capital to ramp-up phases to satellite launch.

The Investor Presentation provides an overview of NewSat and its key projects and sets out the key risks relating to NewSat and the Entitlement Offer. A copy of the Investor Presentation is available for download on ASX's website at www.asx.com.au.

Your personalised Entitlement and Acceptance Form accompanies this offer document. It details your entitlement. If you wish to participate your application must be made in accordance with the instructions provided on the form and this offer document. If you take up your full Entitlement you may also apply for additional New Shares in excess of your entitlement. You should refer to this Offer document and the Entitlement and Acceptance Form for details how to apply.

The Entitlement Offer closes at **5.00pm Melbourne time on 25 January 2012**. To participate in the Entitlement Offer, applications must be received by no later than this time.

If you do not take up your entitlement, you will not receive any value in respect of your entitlements which will lapse.

If you have any queries, please contact Computershare Investor Services Pty Limited as Share Registry on +61 3 9415 4804 (outside Australia) and 1300 558 403 (within Australia).

On behalf of your directors, I invite you to consider this investment opportunity and thank you for your ongoing support of your company.

Yours sincerely,

Richard Green
Chairman

NewSat Limited

Level 4, 6 Riverside Quay Southbank Vic 3006 Australia
T +61 3 9674 4644 F +61 3 9674 4655 ABN 12 003 237 303

1 HOW TO APPLY

If you wish to take up all or part of your entitlement

If you wish to take up all or part of your entitlement you can do either of the following:

Payment by BPAY

If you wish to pay by BPAY, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full entitlement, you are deemed to have taken up your entitlement in respect of such whole number of New Shares which is covered in full by your application monies.
- if you pay in excess of the amount needed to take up your full entitlement the excess funds will be applied towards an application for additional shares.

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (Melbourne time) on 25 January 2012.

Payment by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, you must complete the Section titled Acceptance Payment Details of your personalised Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to "NewSat Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.60 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.
- received before the close of the offer at 5.00pm (Melbourne time) on 25 January 2012

Cash payments will not be accepted. Receipts for payment will not be issued.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with application monies using the reply paid or self-addressed envelope provided with this Booklet to:

NewSat Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

If you wish to apply for additional New Shares in excess of your Entitlement

If you wish to apply for additional New Shares in excess of your entitlement, please complete the Section titled Acceptance Payment Details of your personalised Entitlement and Acceptance Form accordingly and follow the instructions set out on it or above.

Your application for additional New Shares may not be successful (wholly or partially). The decision of the company on the number of additional New Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and refunded.

Further information

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact Computershare Investor Services Pty Limited as Share Registry on +61 3 9415 4804 (outside Australia) and 1300 558 403 (within Australia).

2 ADDITIONAL INFORMATION

2.1 Underwriting

NewSat has entered into an underwriting agreement with the Underwriter who has agreed to partially underwrite the Entitlement Offer to \$10 million. The underwriting agreement contains customary representations, warranties and indemnities in favour of the Underwriter. The Underwriter may terminate the underwriting agreement and be released from its obligations on the happening of certain events, including if the S&P/ASX All Ordinaries Index closes on any two consecutive business days up to the time of settlement of the Entitlement Offer or closes on the business day immediately before settlement of the Entitlement Offer at a level that is 10% or more below the level as at the close of trading on 19 December 2011.

The Underwriter will be remunerated by NewSat for providing these services at a 6% rate. NewSat must also reimburse the Underwriter for all reasonable costs incurred by the Underwriter in connection with the Entitlement Offer. Allocation of any shortfall will be determined by NewSat in consultation with the Underwriter.

2.2 Issue of New Shares

The New Shares are expected to be issued on 31 January 2012 and holding statements dispatched on 3 February 2012. It is the responsibility of shareholders applying for New Shares to determine their allocation of New Shares prior to trading in those shares. Shareholders who purport to sell their New Shares before they receive their holding statement do so at their own risk. NewSat disclaims any liability to persons who trade in New Shares before receiving their holding statements.

2.3 Capital Structure

The following sets out NewSat's capital structure both pre and post the successful completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed).

Shares on issue as at the date of the Entitlement Offer	193,227,769
New Shares to be issued under the Entitlement Offer (maximum)	44,140,276
Total shares on issue after Entitlement Offer (maximum)	237,368,045
Options on issue as at the date of the Entitlement Offer	46,483,571

2.4 Rights attaching to New Shares

The New Shares will rank equally in all respects with all existing issued shares in NewSat. A shareholding in NewSat is held subject to NewSat's constitution, a copy of which is available for inspection at NewSat's registered office. In particular, shareholders are entitled to receive notices of and attend and vote at general meetings where they have one vote on a show of hands and one vote per share on a poll. Subject to NewSat's constitution, the Corporations Act and the ASX Listing Rules, New Shares are freely transferable. NewSat is presently admitted to the official list of the ASX and its Shares are quoted on the ASX. NewSat has applied for the grant by ASX of official quotation of the New Shares.

2.5 Effect of the Entitlement Offer

If all entitlements are accepted by shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of NewSat. If all entitlements under the Entitlement Offer are not accepted to the full extent then the shareholding interest of non-participating shareholders will be diluted. Shareholders may apply for additional New Shares in excess of their entitlement and the percentage interests of shareholders who receive such shares will increase. Any entitlements not taken-up may revert to the Underwriter and allocated to persons who have provided sub-underwriting commitments and those persons who receive New Shares will also increase their interest in NewSat.

However, the issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of NewSat.

2.6 Allocation policy and scale-back

Eligible Shareholders may apply for additional New Shares in excess of their entitlement. If there are excess oversubscription applications, NewSat will determine an appropriate allocation policy in conjunction with the Underwriter and reserves the right to scale back applications on an equitable basis. Any such decision on the number of shares to be allocated will be final.

In the event of a scale-back, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the offer price of \$0.60 will be refunded following allotment. No interest will be paid on any application monies received and refunded.

2.7 Continuous disclosure

NewSat is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning NewSat and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about NewSat which has previously been disclosed to ASX. In particular, please refer to NewSat's Annual Report for the year ended 30 June 2011 that was released to ASX on 30 September 2011. You should also have regard to any further announcements which may be made by NewSat to ASX after the date of this Entitlement Offer Booklet.

2.8 Past performance

The past share performance of NewSat Shares provides no guidance as to future price performance.

2.9 Future performance and forward looking statements

As set out in the Investor Presentation, neither NewSat nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this information. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

In particular, forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of NewSat and its directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in the Information.

2.10 Taxation

Each person's position is different and taxation consequences will depend on each person's particular circumstances. You should seek and rely on your own taxation advice concerning your taxation position in relation to an investment made pursuant to this Information.

2.11 Treatment of Non-Eligible Shareholders

This Booklet and Entitlement and Acceptance Form are being sent only to Shareholders with registered addresses in Australia, New Zealand, Singapore, the United Arab Emirates or Hong Kong ("Eligible Shareholders"), and will not be sent to and does not constitute an offer in any other jurisdiction. NewSat is of the view that it is unreasonable to extend the Offer to ("Non Eligible Shareholders") having regard to their small number and the value of shares which would be offered to them and the cost of complying with the legal requirements and requirements of the regulatory authorities in those overseas jurisdictions. NewSat has written to its Non Eligible Shareholders advising them that the Offer will not be made to them.

2.12 Broker handling fee

A handling fee equal to 2.00% of the application amount (including GST) of New Shares issued under the Entitlement Offer (to a maximum payment of \$300 per application) will be paid by the Underwriter to stockbrokers who submit a valid claim for a broker stamping fee on successful Applications.

Stockbrokers should contact the Company's Share Registry to request a handling fee claims package by emailing brokerhandlingfees@computershare.com.au. It is expected that the claims package will be distributed by email on or before 6 January 2012. Handling fee claims must be lodged with the Share Registry by 5.00 pm (AEDT) on 30 January 2012, being the day prior to the Issue Date.

If NewSat receives applications for in excess of A\$26 million under the Offer and consequently scales back applications, the handling fee will be calculated on the claims made but net of the application money refunded to applicants.

2.13 Definitions

Definitions of certain terms used in this Entitlement Offer Booklet are contained in the Glossary at the end of this Offer Document. All references to currency are to Australian dollars and all references to time are to AEST (Melbourne time) unless otherwise indicated.

GLOSSARY

For the purposes of further interpreting this Offer:

Definitions

"AEST" means Australian Eastern Standard time;

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means ASX Listed ACN 008 624 691 and the financial products market, Australian Securities Exchange, as the case requires

"Board" means the board of Directors of the Company;

"Company" means NewSat Limited ABN 12 003 237 303

"Corporations Act" means the Corporations Act 2001 (Cth);

"Director" means the director of the Company;

"Eligible Shareholder" means a Shareholder with an address on the share register on Record Date in Australia, New Zealand, Singapore, the United Arab Emirates or Hong Kong.

"Entitlement" means the entitlement to subscribe for NewSat Shares pursuant to the Rights Issue;

"Entitlement and Acceptance Form" means the Entitlement and Acceptance Form accompanying this Offer Document;

"New Share" means a new Share proposed to be allocated and issued under the Rights Issue;

"Notice" means the notice given under section 708AA(2) of the Corporations Act 2001 which accompanies this Offer;

"Non-Eligible Shareholder" means any Shareholder who is not an Eligible Shareholder;

"Offer" means the offer contained in this Offer Document;

"Share" means a fully paid ordinary share in the issued capital of the Company;

"Shareholder" means a holder of Shares from time to time;

"Underwriter" means E.L & C Baillieu Stockbroking Limited.

Interpretation

- a) the singular includes the plural and vice versa;
- b) words importing any gender include the other genders;
- c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- d) all headings bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Notice;
- e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignee);
- f) reference to "\$", "A\$", "Australian Dollars" or "dollars" or "cents" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.