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Global Satellite Solutions

ASX Release
6 August 2014

COMPANY UPDATE

NewSat Limited (ASX: NWT, OTCQX: NWTLY), Australia's satellite company, seeks to provide a detailed commentary following the announcement issued to the ASX on 1st August 2014.

NewSat has met all of its financial, technical and program responsibilities to date. As advised on 1st August, discussions are ongoing between legal representatives over an alleged technical or documentary breach connected to a drawdown of previously announced $10 million loan funds from Ever Tycoon Limited. All parties are seeking a resolution via agreement on terms and conditions which, once met, will waive any alleged breach.

Regarding the position of Chief Financial Officer, the company is in final negotiations with a preferred candidate who will fill the role on a full-time basis. In addition, the Company has secured the services of a suitably qualified and experienced person to fill the role on an interim basis, effective immediately.

The Company, its major shareholders and lenders are in agreement that the $620 million Jabiru-1 program will require a further capital injection. The capital required is expected to be approximately 6% of the total project value. Discussions with multiple parties give the company a high degree of comfort that capital is available from a range of sources. NewSat is exploring several avenues for the introduction of this funding into the Company this calendar year.

The Lancaster Report was initiated by the NewSat Board to introduce a more developed corporate governance structure. As part of this process, NewSat has been reviewing the Board composition to take into account the evolution of the company and its ever increasing international focus. NewSat expects to appoint some new Directors shortly to replace those recently retired and those retiring at or before the Annual General Meeting.

Jabiru-2 hosted payload initiative

The Measat-3b/Jabiru-2 satellite is currently at the launch site and awaiting launch. In June, it was announced that, due to an issue with the co-passenger satellite (Optus-10), the launch would be delayed while the co-passenger satellite undergoes additional testing. The launch is currently anticipated to take place in September 2014. Jabiru-2 will then undergo in-orbit testing and will be placed in operational service, approximately 4 weeks after launch.

Approximately two thirds of the Jabiru-2 capacity is contracted to multiple customers with the remainder scheduled to be under contract before the in-service date.

Strategic growth project, Jabiru-1

NewSat's Jabiru-1 satellite project build is not on hold or suspended.

The Jabiru-1 spacecraft is being constructed by Lockheed Martin in the United States and extensive activity is underway on many fronts. Critical Design Review of the satellite was completed earlier this year and regular program review meetings are being held during the satellite manufacturing process. The most recent monthly progress meeting was held on Friday 1st August.

Component manufacturing is ongoing at Lockheed Martin and at numerous external suppliers in the USA, Canada, France, Germany, Italy and Spain. Several key components have already been delivered to Lockheed Martin in advance of the integration of the spacecraft and the remaining components will be delivered in the

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coming months. Spacecraft integration is scheduled to take place at Lockheed Martin's facilities in Denver, Colorado in late 2014, with full spacecraft environmental testing taking place at their facility in Sunnyvale, California in 2015.

Jabiru-1 pre-launch customer contracts to the value of $644 million remain in place and further contracts are expected prior to the end of the calendar year. However, as previously advised, the majority of new Jabiru-1 contracts will occur in 2015.

Jabiru-1 ground developments
Developments for the ground systems to support the operation and management of the Jabiru-1 satellite are progressing, with some contracts announced and others imminent.

The satellite control system is being manufactured by Kratos Integral Systems, an experienced vendor of satellite control systems. The construction of the satellite control system is proceeding on schedule. The formal design review for the satellite control system will be held in Q4 2014, with the system scheduled for delivery in the second half of 2015.

The contract for the ground antennas and associated electronic systems has been awarded and will be announced shortly. The contractor has commenced work and the design review will be held later this quarter, with commissioning of the system scheduled for the second half of 2015.

While additional contracts for the flight dynamics system, the carrier monitoring system and the capacity management system are due in the near future, tenders have also been received for Phase 1 of the civil works at the Adelaide teleport. The contract will be finalised and announced in the near future.

About NewSat:

NewSat is Australia's largest pure-play satellite communications company, delivering internet, voice, data and video communications via satellite. With award winning and unique-to-Australia teleport infrastructure, NewSat has a reputation as the partner of choice for enterprise and government customers around the world. Today, NewSat provides secure and reliable connectivity to 75% of the globe.

NewSat will be expanding its satellite capabilities with the Jabiru Satellite Program. Set to launch Australia's first commercial Ka-band satellite, Jabiru-1 will provide high-powered, flexible capacity over the MENA and Jabiru-2, launching in 2014, will deliver highly targeted coverage across Australasia. For more information, please visit www.newsat.com

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