

Sky & Space Global agreement signed with major South American telco provider

Highlights

- Memorandum of Understanding signed with Globalsat Group LLC to jointly explore the provision of SAS's narrow-band communication services to Globalsat end-users- Globalsat provides Mobile Satellite Services, with a strong local presence across the major markets in South and Latin America - Key outcome of the MOU is to establish a commercial agreement for the bandwidth provided by SAS's narrow-band satellite communication services to Globalsat end-user customers - Parties to perform a commercial demonstration of the services during H2 2017 in South and Latin America following the successful launch of the 3 Diamonds - Globalsat Group sees potential in the Sky and Space Global system as a way to expand M2M / IoT beyond current use of traditional satellite technology - The MOU represents the Company's first entry into the large equatorial markets across South and Latin America Provides material validation from a leading South American communications provider

Sky and Space Global Ltd (ASX: SAS, "Sky and Space Global" or the "Company") is pleased to announce that it has signed a non-binding Memorandum of Understanding (MOU) with Globalsat Group LLC to explore a commercial and technical collaboration to provide SAS's narrow-band satellite communication services to end-users of Globalsat Group's services in South and Latin America.

A key plank of the MOU is for the parties to establish a commercial agreement for the bandwidth provided by SAS's narrow-band satellite communication services to Globalsat end-user customers.

Under the terms of the agreement, the parties will first work towards performing a commercial demonstration of the services during H2 2017 in South and Latin America.

Globalsat is an American company that provides Mobile Satellite Services (MSS) through its strong local presence in the United States, Argentina, Bolivia, Brazil, Canada, Chile, Columbia, Peru and Mexico, as well as distributors in major South and Latin American cities. End-users of Globalsat's services include thousands of customers across sectors such as Defence, Government, Utilities, Oil & Gas, Mining, Banking, Media, Agriculture, Non-Government Organisations and Tourism.

The MOU represents Sky and Space Global's first entry into the large equatorial South and Latin American market as well as providing strong customer validation from a leading South and Latin American communications provider. The MOU will be executed with a view to establishing a commercial agreement for the bandwidth provided by SAS's narrow-band satellite communication services to Globalsat Group end-user customers, further de-risking the Company's 3 Diamonds nano-satellite communications offering. The Company is set to imminently launch its 3 Diamonds nano-satellites aboard the Indian Space Research Organisation's (ISRO) Polar Satellite Launch Vehicle (PSLV) in Q2 2017. Following the successful demonstration of the 3 Diamonds, the Company intends to launch an equatorial constellation of up to 200 nano-satellites from mid-2018. As announced on 1 March 2017, SAS has selected GomSpace ApS as its construction partner for the constellation.

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

"We look forward to working together and collaborating with Globalsat with a view to establish a commercial agreement to provide Sky and Space Global's narrow-band satellite communication services to Globalsat end-users across South and Latin America. Being able to collaborate with an industry leader such as Globalsat at this early stage puts us ahead of the curve for building and executing commercial relationships in these key target markets."

Globalsat Group CEO, Mr. J. Alberto Palacios said:

"We welcome the opportunity explore commercial arrangements with Sky and Space Global, an innovative company with a leading edge nano-satellite offering that has the potential to bring affordable communications coverage in countries where we have local presence. Sky and Space Global's technology could be transformative for worldwide M2M / IoT. By lowering the cost of network operations and terminal equipment, the Sky and Space Global System can allow services to be offered where it is currently not cost-effective using other systems. We are excited to take part in this collaboration."

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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 currently 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 Globalsat Group LLC

Globalsat Group is the first multi-entity Pan-American mobile satellite service (MSS) provider and an industry leader delivering standard voice and data, M2M / IoT, software and hardware in the region since 1999. With offices in the United States, Bolivia, Brazil, Chile, Colombia, Peru, Argentina and Mexico as well as distributors in the region's most important cities, the company is in charge of providing satellite telecommunications solutions for thousands of customers through a flexible organisational structure, powered by extensive and specific expertise in multiple vertical sectors such as energy, government, defence, media, mining, banking, agriculture, NGOs and tourism. Most clients use these services in mission critical applications where infrastructure or lives are at stake, under extreme conditions or exceptional circumstances, when or where other means of communications cannot operate.

Globalsat Group has received the "2016 Latin America Satellite Communications Company of the Year" Award from the highly recognised international consulting firm Frost & Sullivan.

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