

3 November 2014

Mr Andrew Kabega
Company Listings Officer
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By email: andrew.kabega@asx.com.au

Dear Mr Kabega

**INDOOR SKYDIVE AUSTRALIA GROUP LIMITED NOTICE UNDER SECTION 708AA(2)(f)
OF THE CORPORATIONS ACT 2001 (CTH)**

This notice is given by Indoor Skydive Australia Group Limited ACN 154 103 607 (ASX Code: IDZ) (**ISA Group**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (the **Act**), as notionally modified by Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**). All references to the Act are references to the Act as notionally modified by CO 08/35.

ISA Group has today announced a pro rata non-renounceable rights issue of 2 fully paid ISA Group ordinary shares (**Shares**) for every 15 Shares held as at 7.00pm (Sydney Time) on Monday 10 November 2014 by eligible shareholders with a registered address in Australia or New Zealand (**Rights Issue**). It is expected that approximately 11.8 million Shares will be offered for issue pursuant to the Rights Issue raising up to \$5.9 million.

ISA Group also announced today a successful institutional placement of 22.1 million shares pursuant to Listing Rules 7.1 and 7.1A to sophisticated or professional investors under section 708 of the Act to raise approximately \$11.1 million (**Placement**).

The Rights Issue and the Placement together will raise up to \$17 million through the issue of up to 33.9 million Shares.

ISA Group advises that:

1. The Shares to be issued pursuant to the Rights Issue will be offered for issue without disclosure under Part 6D.2 of the Act;
2. This notice is being given under section 708AA(2)(f) of the Act;

3. As at the date of this notice ISA Group has complied with:
 - a. The provisions of Chapter 2M of the Act as they apply to ISA Group; and
 - b. Section 674 of the Act;
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice; and
5. The potential effect of the Placement and Rights Issue on the control of ISA Group, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, the issue of Shares pursuant to the Rights Issue and Placement is not expected to have a material effect or consequence on the control of ISA Group other than:
 - a. To the extent that the Placement is to new sophisticated or professional investors who are not existing shareholders of ISA Group the percentage holdings of existing shareholders in ISA Group may be reduced;
 - b. To the extent that the Placement is to sophisticated or professional investors who are existing shareholders of ISA Group, those shareholders may be able to increase their percentage holding under the Placement while non sophisticated or professional shareholders may have their percentage of shareholding reduced;
 - c. If all shareholders take up their rights under the Rights Issue, the Rights Issue will have no material effect or consequence on the control of ISA Group; and
 - d. To the extent that any existing shareholder fails to take up their rights for Shares under the Rights Issue, that shareholder's percentage holdings in ISA Group will be diluted by those other shareholders who take up some, all or more than their entitlement to rights.

Yours Sincerely



Fiona Yiend
Company Secretary
Indoor Skydive Australia Group Limited