

Indoor Skydive Australia Group Limited

ACN 154 103 607

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RESOLUTION OF DISPUTE WITH SKYVENTURE

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) announces that it has reached agreement for the negotiated resolution of various disagreements with SkyVenture International Limited (SkyVenture) regarding the meaning and validity of the Purchase and License Agreements (PLAs) between them, which prompted arbitration proceedings conducted in the United States before a jointly selected Arbitrator.

During settlement negotiations, the Arbitrator issued its ruling on liability (**Liability Award**). The Arbitrator held that the PLAs were clear, reasonable and enforceable as written and obliged ISA Group to use only SkyVenture vertical wind tunnel equipment in all their indoor skydiving facilities regardless of the location. The Arbitrator further held that the provisions were not anti-competitive but instead provided significant benefits to both parties and to the market. ISA Group will pay all legal fees incurred by SkyVenture in the matter.

To settle the dispute, ISA Group and its affiliates will pay SkyVenture US\$3,789,933 and confirm that all intellectual property and know-how they possess regarding the installation, set-up, use, operation, and commercialization of vertical wind tunnels remains the exclusive property of SkyVenture. ISA Group further confirm their commitment to SkyVenture as their worldwide exclusive supplier of wind tunnel equipment now and on a continuing basis. ISA Group will end the use of the AirRider brand, cease any activities as a franchisor or licensor of wind tunnel technology to third parties and return to its original role as an owner-operator of iFLY branded wind tunnels.

Recognizing that ISA Group is a valuable partner in the development of the global wind tunnel market, SkyVenture has agreed to provide a loan which fully funds the settlement payment. SkyVenture continues to license its Intellectual property and know-how to ISAG affiliates for use in ISA Group's indoor skydiving facilities in Penrith, Gold Coast, and Perth. Those licenses remain valid and in good standing.

ISA Group is focused on selecting the best equipment for each project. SkyVenture currently has the largest range of vertical wind tunnel equipment in the world and has reconfirmed its willingness to develop bespoke equipment to meet ISA Group's requirements in both Australia and the APAC region. As part of the ongoing relationship SkyVenture has agreed to preferential pricing for ISA Group and, subject to conditions, guaranteed supply.

"ISA Group and SkyVenture are now in a position to reaffirm their relationship and continue to jointly grow the indoor skydiving industry worldwide" said Wayne Jones, ISA Group CEO. "ISA Group developed a strong relationship with SkyVenture during the establishment of our successful Australian operations and we look forward to further deepening that relationship with off shore success in the future."

Simon Ward, the founder of SkyVenture's UK facilities and a director of SkyVenture, has agreed to become a non-executive director of ISA Group. With over 13 years of experience, Simon understands the development and operation of a portfolio of indoor skydiving facilities, knows the key drivers of successful indoor skydiving operations and is able to target the indoor skydiving market. He is also currently International President of iFLY.

"I am pleased to welcome Simon Ward to the ISA Group Board. Simon brings a wealth of experience in the indoor skydiving industry and will be a valuable board member" concludes Wayne Jones.

Further information on ISA Group is available at www.indoorskydive.com.au.

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About Indoor Skydive Australia Group Limited (ACN: 154 103 607)

Indoor Skydive Australia Group Limited is a visionary leisure company established in 2011 to build and operate a portfolio of world class indoor skydiving facilities across our region. These facilities, allowing human flight within a safe environment, are currently used by tourists, skydiving enthusiasts and military throughout the world. Our business plan is based on proven technology, flexible operating hours and low overheads. The Company listed on the ASX on 18 January 2013 under the code IDZ.

For further information visit: www.indoorskydive.com.au

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