8 MAY 2017

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

SKYDIVE ANNOUNCES SIGNING OF NAB FACILITY AGREEMENT

Skydive the Beach Group Limited (‘**SKB**’, ‘the **Company’**, ‘**Skydive’**), Australia and New Zealand’s leading adventure tourism company, is pleased to announce the signing of a material agreement being a Facility Agreement with National Australia Bank Limited (“NAB”)

Summary:

NAB has made available to SKB:

- An Australian dollar $20m Cash Advance Facility
- An Australian dollar $20m Master Asset Finance Facility
- An Australian dollar $255,000 Bank Guarantee Facility
- An Australian dollar $500,000 Business Card Facility, and
- A $3m Foreign Exchange & Commodity Hedging Facility

Use of Funds

SKB must apply the Cash Advance Facility in the first instance to the acquisition of Reef Magic Cruises Pty Ltd to the value of A$15 million, leaving available facility of $5m, and in subsequent instances for the purpose of making permitted business acquisitions and general corporate purposes.

SKB has transferred circa $13m of existing finance leases to this Master Asset Finance Facility, to consolidate its capital equipment financing, leaving available facility of circa $7m.

The Business Card Facility and Bank Guarantee Facility will be used for daily procurement expenses and rental bonds respectively, whilst the Foreign Exchange & Commodity Hedging Facility will be used for foreign exchange risk management and aircraft fuel hedging, as required.

Security

To secure these facilities with NAB, SKB signed a General Security Deed for both Australian and New Zealand operations whereby NAB now holds a security interest in and over all the secured property that Skydive the Beach Group Limited (ACN 167 320 470) holds.

Debt to Equity

The directors intend to maintain a conservative approach to the use of debt, such that the SKB debt to equity ratio will be maintained at a level well below the covenants in the NAB loan documents.

- ENDS -

CONTACT INFORMATION

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ABOUT SKYDIVE THE BEACH GROUP LIMITED

Skydive the Beach Group Limited ("SKB") is an adventure tourism leisure company. From its origins in Wollongong NSW in 1999, SKB now provides tandem skydiving experiences in 18 locations in Australia and in 3 locations in New Zealand. SKB also provides activities of white water rafting, hot air ballooning, canyoning and boat tours to the Great Barrier Reef in North Queensland, Australia. Since successfully completing an initial public offer (IPO) in March 2015, SKB has acquired Australia Skydive (March 2015) NZone Skydive (October 2015), Skydive Wanaka (July 2016) and Raging Thunder Adventures (October 2016), and Reef Magic Cruises (May 2017)

For more information visit www.skydive.com.au

Experience specific information can be found at www.skydivethebeach.com, www.nzoneskydive.com, www.skydivewanaka.com, www.skydiveparadise.com, www.ragingthunder.com, www.ragingthunderadventures.com, www.cairnshotairballoonco.com and www.reefmagiccruises.com