1 APRIL 2015

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

SKYDIVE THE BEACH COMPLETES ACQUISITION FOR AUSTRALIAN EXPANSION

Following completion of its $25 million initial public offer ("**IPO**") and ASX listing, on 31 March 2015 Skydive the Beach Group Limited (ASX: SKB) completed the acquisition of all of the shares in Australia Skydive Pty Limited.

The acquisition will enable SKB to operate five new drop zones, taking total drop zones to 16 across four states, covering New South Wales, Queensland, Victoria and Western Australia.

Australia Skydive's operations increase SKB's coverage to popular tourist areas in Queensland and northern NSW and in 2014, the Australia Skydive business conducted slightly more tandem skydives than SKB.

In 2014, SKB conducted 41,241 tandem jumps and the Australia Skydive business 47,492.

In its Replacement Prospectus for its IPO, SKB said the rationale for the acquisition was to offer customers a national experience, target the Queensland tourism market, smooth revenue seasonality and achieve economies of scale.

Consideration for the acquisition is $11.7 million, subject to some completion and post completion adjustments, $8.4 million of which has now been paid. Approximately $3.2 million (after known completion adjustments) remains payable over three years. At completion SKB repaid approximately $3 million of Australia Skydive's debt secured over the assets of Australia Skydive.

Chief Executive Officer of SKB, Mr Anthony Boucaut, said the acquisition was a major focus of the recent IPO and is a significant step forward in the expansion of the business conducted by the SKB group.

For financial year 2015, Australia Skydive will make a partial contribution to results, resulting in forecast FY15 revenue for the combined group of $27.6 million and EBITDA of $6.2 million.

In FY16 the acquisition will make a full year contribution, leading to a forecast 112,827 tandem jumps, revenue of $47.5 million and EBITDA $10.9 million.

SKB intends to pay a dividend of 1 cent per share in October 2015, subject to meeting FY2015 forecasts disclosed in its Replacement Prospectus for the IPO.

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