30 OCTOBER 2016

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

ASX ANNOUNCEMENT

INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER COMPLETE WITH STRONG INSTITUTIONAL SHAREHOLDER & INVESTOR SUPPORT

Highlights:

- $18.98m raised in a strongly supported institutional share placement
- Offer well supported by existing shareholders, with strong interest from new institutions,
- Funds raised will primarily be used to acquire Raging Thunder Pty Limited ("RT"), trading as Raging Thunder Adventures, North Queensland's leading multi-faceted adventure tourism business, and
- SKB continues to pursue growth opportunities in FY17 and beyond

Skydive the Beach Group Limited (**SKB or "the Company"**) announces the successful completion of the Institutional Offer component of a fully underwritten 2 for 21 pro-rata accelerated non-renounceable Entitlement offer at a price of $0.52 per share ("**Entitlement Offer**") to raise $19,626,363 before costs.

The issue price of $0.52 per new share represents a discount of 9.53% to the TERP of $0.5748 (Theoretical ex-rights price) and a 10.3% to last closing price of $0.58 for SKB on the ASX on Tuesday 27 September 2016.

The institutional component of the Entitlement Offer raised $18,982,108 from institutional and sophisticated investors in the Company for the issue of 36,504,054 New Shares. The Offer was well supported by existing Institutional shareholders, with strong interest from new institutions.

The funds raised from the Entitlement Issue will be used to acquire 100% of **Raging Thunder Pty Limited** trading as Raging Thunder Adventures, North Queensland's leading multi-faceted adventure tourism company, details of which were set out in the ASX Release made on Wednesday 28 September 2016. The funds raised will also cover the acquisition cost of additional capital assets to enhance operational capacity, the costs of the Entitlement Issue and to provide general working capital to the Company.

Mr Bill Beerworth, SKB Chairman said, "We are very pleased with the support we have received from our existing and new institutional shareholders. As over 97% of the Entitlement Offer has now been placed through the Institutional Offer, I would commend the Retail Offer to the Eligible Retail Shareholders and encourage them to read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

I would also add that the acquisition of RT is an excellent and exciting one for the Company. RT is a strong strategic fit for SKB and the acquisition delivers of 3 of SKB's 4 strategic priorities: acquisitions, diversifications and efficiencies."

An offer document relating to the retail component of the Entitlement Offer ("**Retail Offer Booklet"**) will be released to the ASX on Wednesday 5 October 2016, and will be mailed to Eligible Retail Shareholders, together with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders with a registered address in Australia and New Zealand on the **Record Date of 7:00pm (Sydney Time) on Friday 30th September 2016** will be invited to participate in the Retail Entitlement Offer and are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. The dates and times in the timetable mentioned above and included in the Retail Offer Booklet are indicative only and may be subject to change.

The Retail Entitlement Offer, as with the Institutional Offer, is fully underwritten by Veritas Securities Limited. Eligible Retail Shareholders who take up all of their Entitlement may apply for up to 100% of their Entitlement, in addition to their Entitlement as Additional New Shares, should there be a Shortfall in the Retail Entitlement Offer, however, there is no guarantee that there will be a Shortfall, nor whether Eligible Retail Shareholders who apply for New Shares will receive any Additional New Shares. Further details of the Retail Entitlement Issue will be provided to Eligible Retail Shareholders in the Retail Offer Booklet to be released on Wednesday 5 October 2016.

Defined terms have the same meaning as set out in the Retail Offer Booklet.

ENDS

CONTACT

ANTHONY RITTER

COMPANY SECRETARY

T 1300 663 634

E COMPANYSECRETARY@SKYDIVE.COM.AU

ABOUT SKYDIVE THE BEACH GROUP (ASX:SKB)

Skydive the Beach Group Limited ("SKB") is a tandem skydiving, and adventure tourism and leisure company. It provides tandem skydiving experiences in locations across four Australian states and on the South Island of New Zealand. From origins in 1999, it has become a profitable business with a track record of earnings growth. In March 2015, SKB successfully completed an initial public offer (IPO) and listed on the Australian Securities Exchange and acquired Australia Skydive Pty Ltd. In October 2015 SKB acquired NZone Skydive and in July 2016 SKB acquired Skydive Wanaka and now has 18 dropzones in Australia and New Zealand.

.

For further information www.skydive.com.au