



...like drinking rainwater

ISLAND SKY AUSTRALIA LIMITED

ABN 43 116 256 823

BROKER PRESENTATION

JUNE 2009

A woman in a bright red raincoat stands with her arms outstretched, looking up at the sky. The background is a blue sky with white clouds. In the foreground, there is a large, stylized 'H2O' graphic in a light blue color. The text '...like drinking rainwater' is overlaid on the 'H2O' graphic.

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DISCLAIMER

This presentation contains certain forward looking statements with respect to Island Sky's financial condition, results of operations and other matters that are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in or implied by those forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are beyond the control of Island Sky that may cause actual results to differ materially from those expressed in the forward looking statements contained herein. Island Sky Australia Limited gives no warranties in relation to the information and statements within this presentation.

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ISK recent trading data (at 1 June 2009)

Total shares on issue (M)	125.3
Market capitalisation (A\$M)	26.9
Cash at 31 March 09 (\$'000's)	7,356
3-month VWAP (\$)	0.23
High (\$)	0.35
Low (\$)	0.16

Source: Pulse

ISK Price and Volume chart



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Key Milestones:

- ASX listed: 7 December 2007
- March 2008: Roll-out of first Skywater-14 units
- May 2008: Signs USD \$5 Million exclusive licensing and distribution agreement with Salton Inc. for Indian market
- November 2008: Applica Water Products announce A\$0.45 per share cash offer for Island Sky (offer subsequently lapsed)
- December 2008: Commenced mass production of SkyWater 14

Top Five Shareholder Analysis

Shareholder	Shares held (M)	% issued equity
Applica Water Products LLC	21.4	17.1%
Mr Richard Groden	13.1	10.5%
Mr Brian Stamp	12.3	9.8%
Mr Thomas Merritt	12.2	9.8%
Mr Douglas Cox	12.0	9.6%



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Year at a glance

Overview of activities year to date.

Manufacturing/Distribution Overview

1. Skywater product overview
2. Skywater 300 video
3. Salton Inc. Licensing Agreement
4. Summary of Sales activities
5. Manufacturing/Factory Production: Skywater 14 & Skywater 300
6. Conclusion



Skywater®

Creating Water for life



Island Sky® has developed 2 unique water-making machines and larger capacity machines are under development



Skywater® 300
1100 liter per day
Capacity



Skywater® 14
52 liters per day
capacity

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Longer model 300

- Low Power Usage
- High Water Extraction
- Great Efficiency
- Easy to Maintain and Service



Production Capacity	1100 liters/Day
Input Power	8 KW/hr
Refrigerant	R134a
Ideal Working Conditions	22C-35C 72F-95F
Weight	450 Kg
Height	100 Cm
Width	100 Cm
Length	220 Cm
Noise level	72 Db





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Skywater 300 – Designed with Military specifications
Island Sky invited to present at June 19, US Army Quartermaster symposium





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Year to date Highlights

- **Salton Inc Licence agreement**

A licencing agreement was negotiated and signed with Salton Inc., giving them an exclusive licence in India for a non-refundable license fee of US\$5,000,000. Territory later expanded to include Malaysia, Singapore, Brunei, Cambodia, Laos, Myanmar, and Vietnam.

- **Share purchase by Applica Water Products LLC**

The Company raised AU\$4,085,735 through a placement of 16,342,940 fully paid ordinary shares to Applica Water Products LLC a subsidiary of Salton Inc.

- **Applica Merger Implementation Agreement**

The Company entered into a Merger Implementation Agreement to purchase Island Sky shares for AU\$.045



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Sales & Marketing update

Year to date distribution agreements

14/07/2008 \$65.4 million licensing agreement signed with SDI Distributors – current status; purchasing sample machines while awaiting UL approval

30/04/2009 Group Sat Egypt signs major distribution across 14 countries (Total 3 year agreement US\$11,167,200)

07/05/2009 ISK Air to Water Machines distributed by SkyH2O Dubai across Middle East (Total 3 year agreement US\$36,000,000) Agreement to become exclusive upon purchasing 6,000 Skywater14 machines within the first 12 months.



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New Middle Eastern Skywater Distribution Agreements



Recent meetings and trade exhibition in Dubai



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2009 Sales to date

US\$ 149,000 or AU\$ 196,000

Pending sales – within approximately 2-3 months

Group Sat Egypt - awaiting a letter of credit for 2 containers, total of US\$237,600

SkyH2O Dubai - and 3 containers, total of U\$352,800

Total sales to date (\$149,000) + pending sales (US\$590,400) = \$739,400 or AU\$961,220

Additional pending agreements include Eco-Solutions – Venezuela distribution, PRECISPORT, S.L. Spain,

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Manufacturing update

Skywater 14 – China factory in full production and ready to meet distributor demands, CE certification has been received while UL is pending.

Skywater 300 – Salton Indian factory producing machines, while new Mexican factory completing pre-production test machines.



Skywater 300 in Mexico Factory

