

ASX ANNOUNCEMENT MEDIA RELEASE

22 MAY 2012



Update: Voluntary Administration of Kagara Limited

The Administrators of Kagara Limited (Administrators Appointed), and its three wholly-owned subsidiaries ("the Group")*, announce that the Federal Court of Australia ("Federal Court") today made orders extending the convening period of the Administration, for a period of up to six months, to 25 November 2012.

As a result, the Administrators may report to creditors pursuant to Section 439A of the Corporations Act and convene second meetings of creditors of the Group at any time up to and including 25 November 2012.

These orders are important to the voluntary administration process as they allow the Administrators time to properly assess and implement the best available option with respect to the restructure, recapitalisation or sale of assets with a view to maximising the outcome for all stakeholders. Although the convening period has been extended by six months, the Administrators currently expect that the outcome for the Group and its creditors will be known beforehand.

The Federal Court orders also confirm that the Administrators' personal liability is limited under the Investec Refinance Arrangements.

Interested parties, creditors and other enquiries should contact Taylor Woodings on (08) 9321 8533 / (07) 3041 2900 or visit its webpage www.taylorwoodings.com.au for further information.

* Michael Ryan, Mark Englebert, Stefan Dopking and Quentin Olde, all of Taylor Woodings, were appointed joint and several voluntary administrators ("Administrators") of Kagara Ltd, Kagara Copper Pty Ltd, Mungana Pty Ltd and Einasleigh Mining Pty Ltd * ("the Group") on 29 April 2012.

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About Taylor Woodings

Taylor Woodings is a national independent accounting firm specialising in the areas of restructuring, corporate recovery, advisory and transaction services, and forensic accounting. For more information please see www.taylorwoodings.com.au.

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FURTHER INFORMATION:

Interested Parties/Creditors

Taylor Woodings

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