

22 August 2017

The Manager
ASX Market Announcements
ASX Ltd
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir

PAKAR PROJECT UPDATE

Kangaroo Resources Ltd (the "Company") is pleased to announce an update to the legal action concerning the overlap of five of the Company's coal concessions (DE, OM, SA, CA and BS) with a third-party coal company, PT. Senyur Sukses Pratama ("SSP"). The status of the legal action was last reported in detail in the June 2017 Quarterly Activities Report lodged with the ASX on 31 July 2017.

On 18th August 2017, the Jakarta High Court held on appeal that SSP had committed a fatal procedural flaw by filing its legal suit against the provincial government of East Kalimantan beyond the 90 days from cause of action allowed under Indonesian law. That procedural flaw cannot be cured and as such the April 2017 decision of the District Administrative Court in Samarinda in favour of SSP finding the instruction by the East Kalimantan government requiring SSP to relinquish certain overlapping areas as invalid was set aside and costs awarded against SSP.

In this regard, the net result of the Jakarta High Court's decision is that the Company's rights to the overlapped portions of our concessions have been confirmed. SSP has 14 days to appeal against the decision of the Jakarta High Court to the Supreme Court of Indonesia.

Yours faithfully



Paul Jurman
Company Secretary

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