



ASX ANNOUNCEMENT

13th February 2015

ASX: RGX

Corporate Update

The Board wishes to advise that the Company's proposed acquisitions of Holiday Planet, Asia Escape and Motive Travel ("the Acquisitions") will not be proceeding.

The Company had previously extended the Offer under its Prospectus until 11 February 2015. Following advice, including consideration of the protracted nature of the transaction, the issues raised by ASIC noted in the ASX market release dated 27 January and the practical consequences of the inability to have the shares and options offered under the Prospectus listed within the 3 month period from the date of the Prospectus (which rendered any further extension of the Offer much more difficult), it was mutually agreed that the Offer would not proceed. While the \$3m minimum subscription was secured as at the earlier Closing Date of the Offer (23 January 2015), for the reasons noted above the Offer will be withdrawn and all subscription amounts will be refunded. As a result of the Offer not proceeding, the Acquisitions would also not be proceeding.

Company Chairman, Dr Shaw said that "the Company and the Vendors had devoted significant resources to this complex reverse takeover for a considerable period, in an effort to see the transaction succeed. The Company will now look to assess alternate potential opportunities, including in respect of its existing assets, to maximise shareholder value".

The Company intends to remain in suspension while the Directors consider the future direction of the Company, and assess its future funding requirements in concert with its corporate advisors. The Directors expect to be in a position to inform the market on these matters, and to request that its securities be reinstated, on Monday, 2 March 2015.

*****ENDS*****

For further information please contact:

Dr Raymond Shaw, Executive Chairman

08 8223 1680

Red Gum Resources Ltd

79 Angas Street,
Adelaide SA 5000

p +61 8 8223 1680

f +61 8 8223 1685

www.redgumresources.com

ACN 119 641 986