

28 August 2009

Company Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

ANNOUNCEMENT OF UNDERWRITER OF INTERIM DIVIDEND

As previously advised, Directors resolved on 27 August 2009 to pay an unfranked interim dividend of 6 cents per ordinary share on 25 September 2009. In accordance with the Rules of the company's Dividend Reinvestment Plan ("DRP"), shareholders may use the dividend to purchase additional shares under the DRP. The discount applied to the DRP will be 2%.

Under an agreement between Southern Cross Equities Limited ("Southern Cross") and Ludowici Limited ("Ludowici" or the "Company"), Southern Cross has agreed to underwrite the issue of shares under the DRP in respect of this interim dividend payment. This means that Southern Cross (and any parties nominated by Southern Cross) will subscribe, at the DRP price, for new shares in Ludowici Limited, to the extent that Ludowici shareholders take the interim dividend in cash rather than electing to receive shares under the DRP, up to 100% of the total interim dividend payment. The Directors expect that this will result in the interim dividend being wholly reinvested in the Company as new ordinary shares.

The record date for the purpose of the interim dividend has been determined as 15 September 2009 as previously advised.

Shareholders who elect to apply their interim dividend entitlement to acquire shares under the DRP rather than taking cash, will not have their interests in the Company diluted. Those shareholders who do not elect to participate in the DRP will have their interests in the Company marginally diluted but will receive the interim dividend of 6 cents per share in cash.

Yours faithfully



PJ Arnall
Chairman

Company contact: Jim MacDonald – Company Secretary 07 3121 2908