



Cluff Resources Pacific NL

ABN 72 002 261 565

17 March 2010

The Manager (Companies),
Australian Stock Exchange,
Sydney

Dear Sir,

SHARE PLACEMENT TO RAISE UP TO \$1,000,000

The Company is pleased to advise that it has received commitments from sophisticated investors to participate in a share placement to raise up to \$1,000,000. The terms of the placement are \$0.0045 (0.45 cents) per ordinary share, together with one free attaching July 31, 2011 \$0.01 listed option.

The total number of securities which are proposed to be issued via placements made under these terms are 222,222,222 ordinary shares and 222,222,222 listed July 31, 2011 \$0.01 options.

With respect to Listing Rule 7.1, relating to the number of securities which may be issued without shareholder approval in any given 12-month period (15% of issued ordinary shares, less any other securities issued without shareholder approval during this time) the Directors advise that that placement amounts beyond this limit will have to be accepted subject to regulatory procedures. In this case, the limit is approximately \$702,272, or 312,121,002 securities in total. An Extraordinary General Meeting will be required to approve the issue of securities (and acceptance of placement monies) beyond this level up to the intended total of \$1 million, and will be called as soon as funding commitments indicate the Company is likely to exceed this figure.

With monies raised the Company aims to continue exploration activities for the development of an inferred resource model of the Bingara diamond field, with the intention being to proceed to mining if commercially recoverable quantities of diamonds are demonstrated.

This issue of securities will be conducted pursuant to Section 708 of the Corporations Act and does not require a disclosure document. An Appendix 3B will be lodged when funds have been received and securities allotted to each placement recipient, and also once the placement has been completed.

If shareholder approval is required and secured for the receipt of funds up to the total of \$1,000,000, on completion of the placement the company will have up to 2,303,028,902 shares on issue. The shares and listed options will carry the same rights applicable to quoted ordinary shares and quoted 2011 options in the Company and will from the date of issue rank equally with fully paid quoted ordinary shares and listed options currently on issue.

Participants in the placement include clients of Martin Place Securities, Kefu Underwriters and members of Cluff's largest shareholders. The Company advises that Martin Place Securities will receive 6% commission on funds placed with their clients, while Kefu Underwriters will receive 3% commission on funds placed with their clients. These commissions will form part of the costs of the issue.

Yours sincerely,

Scott Enderby
Company Secretary

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