

# Shandong Tianye Australia Limited

ACN 004 450 033

201 National Innovation Centre, Australian Technology Park, Eveleigh NSW 1430

26 March 2010

## ANNOUNCEMENT FOR RELEASE TO THE MARKET

RE: SHANDONG TIANYE AUSTRALIA LTD

ASX: SDT

## Retraction of Previous Report

The company's Notice of Annual General Meeting for the year ended 3 December 2008 dated 30 December 2009 contained as Annexure 1 to that notice a report of the Fifth Institute of Geology and Mineral Exploration of Shandong Province relating to the extent of a gypsum deposit in Shandong Province, China (***Fifth Institute Report***). The Fifth Institute Report was also included in a Prospectus lodged by the Company on 7 January 2010 and withdrawn on 18 January 2010. That Institute is a well respected institution and the Fifth Institute Report was prepared in accordance with the appropriate Chinese standard '*Specifications for resource estimates of siliceous materials, decorative stone, gypsum, asbestos, talc, wollastonite and graphite*'. Listing Rule 5.6 requires that reports on mineralisation are written in accordance with the JORC Code, or alternatively, in the case of foreign mineral deposits, that a waiver from the requirements of Listing Rule 5.6 be obtained by the company. The JORC Code is an Australasian code and not a Chinese standard.

Accordingly, as a formality, the company retracts the Fifth Institute Report.

As an alternative to a waiver, the company has engaged Al Maynard & Associates Pty Ltd, Consulting Geologists, to prepare a report on the gypsum and other deposits in accordance with Listing Rule 5.6.

That Al Maynard & Associates Pty Ltd report confirms target mineralisation for gypsum of 250 million tonnes +/- 60 million tonnes at an average grade of 65% +/- 16%, rock salt of 200 million tonnes +/- 80 million tonnes at an average grade (NaCl) of 80% +/- 20% and natural sulphur of 100 thousand tonnes +/- 40 thousand tonnes at an average grade of 8% +/- 2%. It must be noted that according to the JORC Code (2004), such a Target Mineralisation estimate is not a resource and merely refers to a potential for such a quantity and grade of the target and is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The full report will be announced to the market following this announcement.

Ian Sanderson  
Company Secretary