



ASX ANNOUNCEMENT

10th March, 2011

Full gas supplies restored at Wiluna

Atlas Copco Statutory Demand successfully set aside

Apex Minerals NL (**ASX – AXM**) (**Apex**) wishes to provide an update to the market following the announcement of February 25, 2010.

GAS SUPPLY

Apex wishes to advise that the force majeure event issued by TAP Oil last week which terminated gas supply to the Company's Wiluna Operations as announced by Apex on 25th February, 2011 was formally lifted on Tuesday 8th March, with full supply having now been restored. The supply termination was the result of damage caused by Cyclone Carlos to the Apache-operated facilities at Varanus Island,

The interruptions to the gas supply, together with significant rains at Wiluna, caused interruptions to the power supply to the Wiluna Operations. These interruptions resulted in a degree of instability in the electrical generation and distribution system. The major impact from this disruption has been the loss of eight days of milling. Ore processing returned to normal over the past weekend. As a result, production for the current quarter is expected to be around 17,500 ounces. As no ore has been lost, planning is underway to recover this situation in the June quarter.

ATLAS COPCO

Apex also advises that it has successfully had the Statutory Demands (as previously announced and contained in Note 2(e) of the Annual Financial Report) lodged against it by Atlas Copco Australia Pty Ltd (**Atlas**) set aside.

Atlas lodged two Statutory Demands on 26 May 2010 and 4 June 2010 totalling approximately \$4.44 million for amounts it contended Apex owed it under various contracts between the parties. Apex sought to have the Statutory Demands set aside on the basis that there was a genuine dispute and/or off-setting claim in excess of the amounts claimed in the Statutory Demands. The claims were heard in the Western Australian Supreme Court at a two day hearing in September 2010.

On 28 February 2011, the Court handed down the decision setting aside the Statutory Demands. In setting aside the Statutory Demands, the Court accepted Apex's arguments that there was a genuine dispute and/or off-setting claim in relation to the amounts claimed by Atlas. Atlas was ordered to pay Apex's costs of the application.

Since the setting aside of the Statutory Demands, Atlas has commenced proceedings in the Supreme Court of Western Australia against Apex claiming approximately \$7.7 million.

The Supreme Court proceedings will be defended. Apex will also pursue its counterclaim against Atlas. The value of Apex's counterclaim is likely to be significant. Further information will be released once the counterclaim has been finalised.

Apex believes it has a good defence to Atlas' claim and the proceedings will be defended. Apex was represented by Williams & Hughes Solicitors.

A handwritten signature in black ink, appearing to read 'Mark Ashley', with a long horizontal flourish underneath.

Enquiries

Any enquiries should be directed to:

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