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MARKET RELEASE

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ROCKLANDS COPPER PROJECT (CDU 100%)

ROCKLANDS DEVELOPMENT UPDATE

ROCKLANDS MINERAL PROCESS PLANT COMPONENTRY ON-TRACK FOR EARLY COMPLETION - PRELIMINARY INSPECTIONS CURRENTLY UNDERWAY IN CHINA

ON-SITE DEVELOPMENT ACTIVITES ONGOING

SHORTING ACTIVITY IN CUDECO STOCK

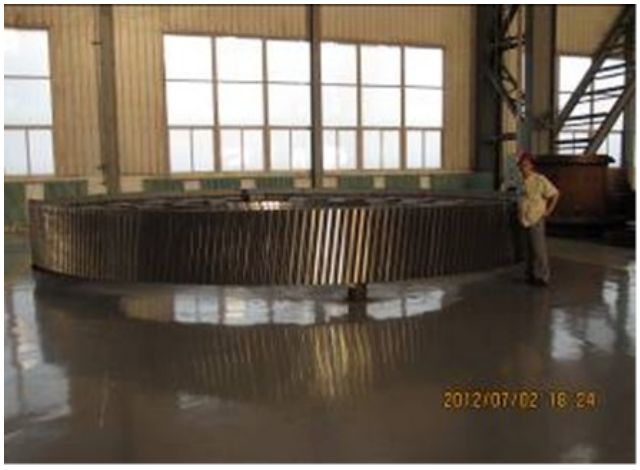

Figure 1: Ring Gear - CuDeco's primary Ball Mill

Figure 2: End Plate - CuDeco's primary Ball Mill

Figure 3: Section of Ball-mill Shell - CuDeco's primary Ball Mill

Figure 4: Shell Section 2 - CuDeco's primary Ball Mill

Figures 1-6 (above and next page): CuDeco Ball Mill Fabrication at CITIC Plant in China – Items being inspected by Sinosteel Supervisors

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Figure 5: Polishing of shafts - CuDeco's primary Ball Mill

Figure 6: Testing of Shafts - CuDeco's primary Ball Mill

Figure 7: Smaller Ball mill being completed at Citics China facility

Rocklands Mineral Process Plant Componentry On-track For Early Completion - Preliminary Inspections Currently Underway in China

The Company is conducting preliminary inspections of componentry for the new Rocklands Processing Plant, currently being manufactured in China. CuDeco Process Manager, Wade Freeman and Executive Director, Peter Hutchison are currently in China to review process design with the Company's design engineers, China Nerin Engineering in conjunction with EP Contractor Sinosteel Equipment and Engineering. The primary purpose of the visit is to sign off on the final process flow-sheets and processing plant layouts.

Figure 8: example of Rocklands scale (3mtpa), allmineral alljig® gravity plant at BHP's Whyalla Project, South Australia, manufactured by allmineral, Germany.

Figure 9: example of Rocklands scale (3mtpa), allmineral alljig® gravity plant at BHP's Whyalla project, South Australia - alljig's® to the left, spirals to the right

Figure 10: example of Rocklands scale (3mtpa), allmineral alljig® gravity plant at BHP's Whyalla Project, South Australia - alljig® Jig plant, foreground feed system

Figure 11: example of Rocklands scale (3mtpa), allmineral alljig® gravity plant at BHP's Whyalla Project, South Australia - alljig® screening plant

Part of the review includes inspections of progress of the ball mill manufacture at CITIC Heavy Industries' construction and engineering plant in China.

The Company's representatives also recently inspected the facilities in Shanghai for the manufacture of some major components of the primary and secondary crushing plant, being supplied by Queensland company EMS-Index. Also planned during the visit is for the Company's representatives to inspect the manufacturing facilities of large Chinese companies tendering for the supply of lesser components for the processing plant.

Under the terms of the equipment supply agreements, major items are first built, then erected in their working configurations for final testing and approval in China, prior to being de-constructed and shipped to Rocklands for final assembly on site.

A major component of any mineral processing plant is the large-scale Ball Mill (see figures 1-7), which the Company is pleased to announce is well advanced, and likely to be completed in advance of the agreed timetable, originally due for delivery in February 2013.

Some major components will be manufactured in other parts of the world and representatives of some of the componentry manufacturers are travelling to China to meet with the Company's representatives and with Sinosteel and Nerin.

The manufacturing of the high pressure grinding rolls (HPGR) by Polysius, and the native copper recovery jigs (alljigs®), by allmineral (both in Germany), has also commenced. The plant is currently on-track for completion in the 3rd quarter, 2013, with commissioning due in the following quarter.

The following page shows images of a HPGR installation undertaken recently by Polysius for a client in the Middle East. This HPGR is similar (but slightly smaller) to the one which will be installed at Rocklands to form a key part of the comminution/grinding circuit and will be capable of handling grades up to 20% native copper at a feed rate of 390 tonne per hour. The Rocklands HPGR is being manufactured in Germany by Polysius and is expected to be shipped in April 2013. It is one of the long lead items (such as the ball mill) that requires up to 12 months to manufacture.

HPGR testing formed an integral part of the Pilot Plant testing of the native copper and primary ores undertaken at the Nagrom Metallurgical Laboratories in WA which resulted in a 97% recovery of +1mm native copper from the native copper ore, with the balance (-1mm native copper) being recovered through the gravity and flotation circuit.

Figure 12: Lifting one of the two Grinding Rolls into position - recent HPGR installation by Polysius in the Middle East

Figure 13: Positioning the HPGR Drive Shafts - recent HPGR installation by Polysius in the Middle East

Figure 14: HPGR showing studded grinding rolls in position - recent HPGR installation by Polysius in the Middle East

Figure 15: Installation technician working on the hydraulic hosing - recent HPGR installation by Polysius in the Middle East

Figure 16: HPGR drive motor and driveshaft - recent HPGR installation by Polysius in the Middle East

Figure 17: HPGR Hydraulic couplings prior to the drive shaft connections - recent HPGR installation by Polysius in the Middle East

On-site Development Activities Ongoing

Clearing and levelling for major civil works is currently underway at the following key areas of the project;

- Rocklands Mineral Processing Plant
- Workshop and Office Complex
- Water Storage Facility
- Water Harvesting Facility
- Diversion Dam
- Rocklands Administration Offices
- Major Access Roads

Figure 18: Plant site being cleared and levelled in preparation of major civil works

Figure 19: Specialised civil works equipment mobilised to plant area - part of CuDeco's fleet of ancillary and support equipment - all owned 100% by CuDeco

Figure 20: Grader and roller preparing the Administration Building site - all machinery owned 100% by CuDeco

Figure 21: Dust suppression on major access road construction - all machinery owned 100% by CuDeco

Figure 22: D11 preparing Plant site - all machinery owned 100% by CuDeco

Figure 23: Initial scrape-back of Plant site - all machinery owned 100% by CuDeco

Figure 24: Large scale Hitachi digger removing fill for use as road base - all machinery owned 100% by CuDeco

Figure 25: Preparing haul roads (top left); preparing Workshop and Office Complex areas (top right) and; administration buildings area cleared at entry to Rocklands (above) - all machinery owned 100% by CuDeco

Shorting Activity in CuDeco Stock

The company has received numerous telephone calls from shareholders enquiring about the current level of short-sell positions for CuDeco Securities (ASX:CDU).

We refer shareholders to the 'ASIC Short Sell Report' which is available from the ASIC Website (www.asx.com.au), which details current official short postions on a delayed basis.

The short position of CDU securities as at 29th June 2012 was 5,374,426 shares.

Yours faithfully

Wayne McCrae
Chairman