

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 6 JANUARY 2015

PENCIL HILL INVESTMENT NOT PROCEEDING

The eligible Directors of Bisan Limited ("the Company") have decided that the Company will not proceed with its investment in the Pencil Hill Graphite project.

Whilst the exploration results from the due-diligence programme were promising, the investment terms could not be met by the Company (refer to ASX announcement on 12 December 2014).

The Directors believe it is simply an inopportune time for this investment given the lack of investor interest in exploration for Graphite and the current cash position of the Company. On that basis the Company decided not to re-negotiate new terms for the investment.

The Directors will however now focus their full attention on maximising the value of the Company's other investments, in particular P-Fuel Limited where the Company is the largest shareholder with an existing stake of approximately 16%.

Mr Pat Volpe, Chairman of the Company, did not participate in the Board's decision as he has a related interest in the Pencil Hill project.

Pat Volpe
Chairman