

16 December 2011

Unit 441 Skyline Apartments  
30 Macrossan Street  
Brisbane Qld 4000 Australia  
GPO Box 3249  
Brisbane Qld 4001 Australia  
Tel +61 7 3333 2722  
Email: [enquiries@auzex.com](mailto:enquiries@auzex.com)  
[www.auzex.com](http://www.auzex.com)

## Revised Exercise Price for Option Holders

ASX RELEASE

Auzex Resources Limited ("Auzex" or the "Company") provides the following update to its Auzex Resources Limited Option holders ("Optionholders") on the impact of the recently completed Renounceable Rights Issue and the approved demerger of its non-Bullabulling assets into a new vehicle, Auzex Exploration Limited ("Auzex Exploration").

### Impact of Renounceable Rights Issue – NO reduction in option exercise price

Auzex has recently completed a 1 for 5 Renounceable Rights Issue where Shareholders were offered the entitlement to acquire 1 new share for each 5 shares held at \$0.24 per share. In accordance with the terms and conditions of the Auzex Options if the Company makes an issue of share pro rata to existing shareholders the exercise price of an Auzex Option is reduced in accordance with the formula contained in the option terms.

Accordingly, following the completion of the Renounceable Rights Issue, Auzex informs Optionholders that the exercise of Auzex options have not changed as the application of the formula gave rise to less than a half cent difference in the exercise price. Therefore the exercise prices remain as follows:

#### Listed Options

ASX: AZXO options expiring 13/02/2012	20 cents
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#### Unlisted Options

1,943,479 options expiring 21/10/2013	15 cents
426,425 options expiring 28/10/2014	30 cents

## **Participation of Optionholders in Demerger**

Auzex Optionholders who wish to participate in the demerger of Auzex Exploration must exercise their Auzex options prior to the demerger record date being 6.00pm Brisbane time on 30 December 2011.

Practically this means the notice of option exercise and cheque in payment of the revised exercise price needs to be received by the Company's Share Registry three business days before that date being 23 December 2011.

## **Impact of Demerger where Auzex Options are not exercised before the 30 December 2011 – Reduction in exercise price**

The demerger of Auzex Exploration was considered and approved by Auzex Shareholders at shareholder meetings held earlier today.

As a consequence, the capital of Auzex will be reduced by \$10,098,288 and shares in Auzex Exploration will be issued to Auzex shareholders in accordance with the formula set out in the demerger scheme booklet previously released to the market.

The date the demerger takes effect (which is now just subject to Court approval), is expected to be around 6 January 2012 at which time the exercise price of all outstanding Auzex Options will reduce, with effect on and from the demerger effective date, in accordance with the terms and conditions of the options as follows:

### **Listed Options**

ASX: AZXO options expiring 13/02/2012	14 cents
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### **Unlisted Options**

1,943,479 options expiring 21/10/2013	10 cents
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426,425 options expiring 28/10/2014	20 cents
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Confirmation for the repricing will be completed on the proposed implementation date of the demerger scheduled for 6 January 2011 and the pricing subsequently revised.

For further information, please contact:

John Lawton  
**Managing Director**  
+617 3333 2722

Paul Frederiks  
**Company Secretary**  
+617 3333 2722