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SALE OF SOUTH SPUR RAIL SERVICES BUSINESS – ELPH RESPONSE

Coote has received a notice from Elph Pty Ltd (“Elph”), with a series of questions seeking further information in relation to the proposed sale of South Spur Rail Services, which was announced by Coote on 23 March 2010.

Elph has stated that while it is supportive of the sale of the South Spur Rail Services business “in principle”, Elph requires further information to determine whether it will waive the breach of the defeating condition in its offer that would be triggered by the sale. Elph has noted that it intends to reserve its rights on this issue until its questions are answered.

Coote intends to provide its response to Elph’s queries, in the Target’s Statement, which Coote expects to release in the first half of April 2010.

In the meantime the Board reiterates its advice that Coote shareholders **take no action** in relation to the Elph Offer, pending receipt of the Board’s formal recommendation.

For further information please contact:

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