



**OAKAJEE**  
CORPORATION

**Oakajee Corporation Limited**

ACN 123 084 453

**Registered Office**

37 Colin Street

WEST PERTH WA 6005

**Telephone:** +61 8 9324 1377

**Facsimile:** +61 8 9324 1517

**Email:** [admin@oakajeecorp.com.au](mailto:admin@oakajeecorp.com.au)

7 September 2010

Ms Jill Hewitt  
Senior Adviser  
Australian Stock Exchange Limited  
2 The Esplanade  
Perth WA 6000

Dear Jill

**RESPONSE TO ASX QUERY**

Further to your recent letter we set out an update of the activities of Oakajee Corporation Ltd.

The Company undertook an IPO to raise \$4,000,000 through the issue of 20 million shares each at an issue price of 20 cents. The funds raised were to be used to establish and operate a limestone quarry, and to procure, assemble and commission a highly automated and specialised reconstituted limestone manufacturing plant on the same property as its self-managed quarry, situated approximately 20 kilometres from Geraldton, Western Australia. All conditions of the offer were successfully completed on 11 June 2008 upon which date the Company's shares were officially quoted and commenced trading on the Australian Stock Exchange.

Shortly after ASX Listing the initial effects of what is now referred to as the "global financial crisis" were felt and in particular the following factors lead the Board to defer commissioning of plant and initial operation of the quarry:

- A dramatic fall in the Australian dollar, thereby making imported equipment significantly more expensive;
- Multiple increases in the cost of steel for plant manufacture;
- Large rise in fuel costs, impacting costs of power generation and transport;



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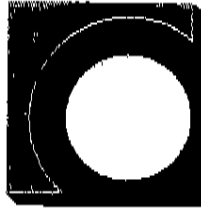
**Email:** [admin@oakajeeCorp.com.au](mailto:admin@oakajeeCorp.com.au)

- A depressed property sector affecting sub-division development, which is a large consumer of big limestone blocks; and
- The overall negative change in consumer sentiment leading to reduced expenditure.

Since that time the Board has continued to maintain its lease of approximately 116 hectares land situated at 576 Coronation Beach Road, Howatharra, Western Australia where the Company has secured access, for a period of up to 80 years, to substantial quantities of limestone suitable for the production of reconstituted limestone products.

The Board's view is that at this stage these 5 factors have not significantly improved to a level whereby the Company should undertake a full feasibility study to reassess the commercial viability of the initial project. However the Board is in the process of undertaking a desktop review of the project to determine whether a more detailed feasibility study should be undertaken, particularly given the improvement in the Australian Dollar since the decision to defer commissioning was made. Similarly the Board continues to review other opportunities to develop the limestone asset, and is closely monitoring the development of the Oakajee Port and Rail Project.

Additionally the Board, as indicated in the initial prospectus and in its two past annual reports, continues to review other projects, both complementary and independent of the limestone operation, with the potential to add value to shareholders. At present none of these projects have progressed to a stage where the company can confirm that they will be proceeded with. Additionally the company cannot at this stage provide to the market or ASX a quantum to be applied to the use of cash funds and investments, as this is largely dependent upon the results of the desktop study and potentially the feasibility study on the limestone operation. We envisage the results of these reviews will be able to be released to the market be early 2011.



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In the meantime the Board has implemented a program of prudent cost controls, diligent treasury management of the company's cash deposits, and selective investment in strategic listed company securities for the purpose of enhancing the company's potential for future growth.

Yours sincerely

**OAKAJEE CORPORATION LTD**

**GRAHAM ANDERSON**

Company Secretary



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PERTH WA 6000

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31 August 2010

Mr G Anderson  
Company Secretary  
Oakajee Corporation Limited  
37 Colin Street  
WEST PERTH WA 6005

*By Email: [Graham@gdacorporate.com.au](mailto:Graham@gdacorporate.com.au)*

Dear Graham

**Oakajee Corporation Limited (the "Company")**

We refer to the Company's Appendix 4E and Preliminary Financial Statement lodged with ASX Limited ("ASX") on 31 August 2010 and our recent discussions on the Company's cash position.

**Listing Rule 12.1**

ASX listing Rule 12.1 provides that the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.

In light of the above, please respond to each of the following questions:

1. What steps has the Company taken, or what steps does it propose to take, so that it is in compliance with the requirements of listing rule 12.1. In this regard please confirm what projects the Company is considering or using its cash assets on, the amounts to be spent on each of those projects and the timeframe for the expenditure.
2. Details of the date when the Company expects it will be in compliance with listing rule 12.1.

Please note ASX will afford the Company a period of six months from the date of this letter to demonstrate to the ASX that it is compliant with listing rule 12.1. If the Company does not demonstrate compliance with these rules to the ASX's satisfaction by 1 March 2011, ASX may suspend the Company's securities from official quotation.

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00pm WST on Tuesday, 7 September, 2010.**

ASX reserves the right under listing rule 18.7A to release this letter and the Company's responses to the market. The response must therefore be in a form suitable for release to the market.

**Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

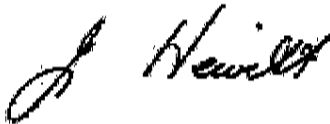
In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

If you have any queries please do not hesitate to contact me on 9224 0013.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Hewitt', with a stylized flourish at the end.

Jill Hewitt  
Senior Adviser, Issuers (Perth)