

24 April 2013



ASX Limited

Entitlement Offer - Cleansing Notice

This notice is given by Cobar Consolidated Resources Limited ABN 67 118 684 576 under section 708AA(2)(f) of the Corporations Act 2001 as modified by Australian Securities and Investments Commission Class Order 08/35.

Cobar today announced an underwritten renounceable pro-rata Entitlement Offer on a 2 for 5 basis at \$0.13 per share of its fully paid ordinary shares ("New Shares") to Cobar shareholders ("Eligible Shareholders") who are registered as a holder of Cobar shares at 7.00 pm (Melbourne time) on the Record Date of Monday, 6 May 2013 and have a registered address in Australia, New Zealand or Singapore or other country where the Company may determine it is lawful and practical to make the Entitlement Offer.

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for oversubscriptions by way of additional shares ("Additional Shares") in excess of their entitlements at the same price as under the Entitlement Offer ("Top-Up Facility"). Additional shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of New Shares ("Shortfall").

The Company proposes to adopt the following allocation policy for Additional Shares subscribed pursuant to the Top-Up Facility:

- (a) If there is a Shortfall, each Eligible Shareholder who has applied for Additional Shares through the Top-Up Facility will be entitled to receive Additional Shares on a proportionate basis having regard to their entitlements under the Entitlement Offer (provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer through an application for Additional Shares under this mechanism).
- (b) The allocation process described above will be repeated in relation to any remaining Shortfall and any subsequent Shortfall, until either all New Shares proposed to be issued have been allocated or all Shortfall applications have been satisfied in full.
- (c) If any Shortfall remains, it will be allocated to the underwriter.

An offer document for the Entitlement Offer is expected to be dispatched to Eligible Shareholders on 10 May 2013.

Cobar confirms that:

- (a) Cobar will offer the New Shares under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is given by Cobar under section 708AA(2)(f) of the Act, as modified by CO 08/35;
- (c) as at the date of this notice, Cobar has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Cobar; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in subsections 708AA(8) and (9) of the Act; and
- (e) the potential effect of the Entitlement Offer on the control of Cobar is as follows:
 - (i) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of Cobar.

Cobar Consolidated Resources Limited | ABN 67 118 684 576

Level 10, 420 St Kilda Road, Melbourne VIC 3004 | PO Box 33312, Melbourne VIC 3004

Ph 61 3 9869 8200 | www.ccrlimited.com.au

- (ii) As the Entitlement Offer is renounceable, Eligible Shareholders may sell their entitlements which may be purchased on-market.
- (iii) If some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, or sell some or all of their entitlements on-market, then the interests of those Eligible Shareholders will be diluted.
- (iv) The proportional interests of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.
- (v) The Entitlement Offer is underwritten by Cobar's major shareholder, Magna Resources Corporation Pte Ltd ("Magna") which presently holds 19.2% of the issued capital in Cobar. Magna has indicated that it intends to accept its full entitlement under the Entitlement Offer.
- (vi) If all Eligible Shareholders take up their entitlements under the Entitlement Offer and there is no Shortfall under the Entitlement Offer, then Magna will not be issued with Cobar shares under the Entitlement Offer as underwriter. However, if there is a Shortfall under the Entitlement Offer (including after determination of any applications under the Top-Up Facility), Magna is expected to subscribe for Cobar shares up to a maximum of the Shortfall. The issue of Cobar shares to Magna pursuant to the underwriting will dilute the interests of all other Cobar shareholders.
- (vii) The maximum voting power of all known substantial shareholders of Cobar at the date of this notice (assuming no change to those shareholdings or purchases of entitlements prior to the close of the Entitlement Offer and assuming that no other Eligible Shareholder, other than Magna, take up their entitlements under the Entitlement Offer, although this is not yet determined) both currently and following the Entitlement Offer is set out in the table below:

Substantial shareholder	Current number of shares over which holder has voting power	Current voting percentage	Maximum possible number of shares over which holder may have voting power following the Entitlement Offer	Maximum possible voting percentage
Magna Resources Corporation Pte Ltd	45,113,340	19.18%	139,205,568	42.27%
Lawrence Consultants Pty Ltd and associates	21,183,118	9.01%	21,183,118	6.43%

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Cobar on (03) 9869 8200.

Yours sincerely



Trevor Shard
Company Secretary