

14th January 2013

Cadence Capital Limited Announces Share Issue

We believe increased demand for Cadence Capital Limited shares is being driven by a number of factors:

- The Company has a high level of available franking credits allowing it to maintain its dividend payment policy in the medium term,
- The Company has been paying a growing stream of fully franked dividends,
- The Company has consistently delivered strong returns since its inception 7 years ago, and
- Future of Financial Advice (FOFA) reforms have now placed Listed Investment Companies (LIC's) on a more equal footing with managed funds.

As a result of this elevated interest in Cadence Capital Limited, the Board is pleased to announce an intention to issue up to 45% of issued capital (29.457M ordinary shares). The share issue will be via a prospectus at a premium to the pre-tax net tangible asset (NTA) per share as at 31st January 2013. The opportunity to participate will be open to both retail and high net worth investors. The offer will be open to existing and potential new shareholders, with a priority allocation of 6.0M shares to be set aside for existing shareholders.

The Board considers the share issue a positive initiative that will not cause dilution to the NTA per share for existing shareholders. The Board does not expect the share issue to have an impact on its dividend policy.

The indicative timetable for the share issue is as follows:

Dispatch Notice of Meeting to Shareholders	15 th January 2013
Shareholder meeting	15 th February 2013
Lodge Prospectus with ASIC and Offer opens	18 th February 2013
Dispatch Prospectus	19 th February 2013
Offer Closes	8 th March 2013
Share allotment	15 th March 2013

The proposed share issue aims to:

- attract new long term investors, particularly investors who value fully franked dividend yield and capital growth,
- expand the market capitalization and improve the liquidity in the company's shares,
- improve the research coverage available to the company, and
- reduce the fixed administration expense ratio by spreading costs across a larger pool of assets.

Further information regarding the share issue will be released with the Notice of Meeting to Shareholders on the 15th January 2012.

Regards,

Karl Siegling
Cadence Capital Limited