

7 May 2015

ASX: RGX



ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Result of Entitlement Offer

Red Gum Resources Limited ("Red Gum" ASX: RGX) wishes to advise the result of its underwritten pro rata non-renounceable entitlement offer (the "Offer"), which closed on Monday 4 May 2015.

Of the maximum of 19,900,699 (after rounding up) Ordinary Shares available under the Offer, the total number subscribed by Shareholders, after rounding up in accordance with the Prospectus dated 10 April 2015, was 10,959,226 (the "Entitlement Offer Shares"); which equates to 55% take up of the entitlements on offer. Pursuant to its agreement the Company has notified the Underwriter (Patersons Securities Limited) of the resulting overall shortfall, being 8,941,473 Ordinary Shares again after rounding (the "Shortfall Shares"), which will be taken up by the Underwriter.

As previously advised, the funds from the Offer will be used for;

- Working capital;
- Introduction of new corporate opportunities; and
- Costs associated with the Offer.

In accordance with the revised Prospectus timetable, announced on 10 April 2015, the Issue Date for the Entitlement Offer Shares and the Shortfall Shares is expected to be 11 May 2015.

Red Gum Chairman, Dr. Raymond Shaw, commented:

"For the Company to be able to provide Shareholders with the opportunity to participate in this fully underwritten rights issue at this time highlights the fundamental conviction of both Shareholders and Patersons in the ability of management, armed with appropriate funding, to revitalize the Company's fortunes through the introduction of a suitable new business proposition."

*** Ends***

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