



25 November 2014

ASX: RGX

ASX Market Announcements

Australian Securities Exchange Limited
20 Bridge Street,
Sydney NSW 2000.

TRANSACTION UPDATE

As announced in the Notice of Meeting released to the market on 20 October 2014, Red Gum Resources Limited (ASX : RGX; “**Red Gum**” or “the **Company**”) is seeking Shareholder and regulatory approvals for the acquisition of Holiday Planet, Asia Escape and Motive Travel together with a Capital Raising in order to relist as the Australian Travel Group (**ATG**).

Red Gum has just received financial and performance updates for the 3 months trading, to 30 September 2014 (Q1 FY2015), from each of these three travel businesses which continue to trade as separate entities. Key highlights include:

Holiday Planet

- Bookings up 30% for Q1 FY2015, compared to Q1 FY2014.
- Total Transactional Value (TTV) for bookings up 29.3% for Q1 FY2015, compared to Q1 FY2014.
- The increase in TTV reflects the stronger cruise market (which accounts for 45% of total bookings) when compared to the same period of FY2014.

Asia Escape

- Gross Profit is up 33.3% for Q1FY2015 compared to the previous (Q4FY2014) period.
- Year on Year sales have increased 20% based on departures.
- Bali is the most popular destination, currently bookings are up 26% on a year on year basis.

Motive Travel

- Gross Profit is up 5.4% for Q1FY2015 compared to the previous, Q4FY2014, period.
- Strong forward bookings are consistent with increased group travel activity during FY2015.



ATG

Assuming Holiday Planet, Asia Escape and Motive Travel were already consolidated, gross profit for Q1 FY2015 is up 15.60%, compared to equivalent figures (and assuming the same consolidation basis) for Q1 FY2014.

The quarterly year on year comparisons show growth in bookings and profits consistent, and or better, than performance assumptions made as part of the FY2015 and CY2015 forecasts included in the Prospectus which RGX lodged with the ASIC on 11 November 2014. Please refer to the Prospectus for more detailed financial information. The Prospectus can be downloaded from the Company's website: www.redgumresources.com.

The travel entities have also confirmed that:

- New Seniorsplanet Internet Site remains on track for early 2015 launch;
- New Online Cruise Booking Engine remains on track for late 2014 or early 2015 launch.

Dr Shaw, Chairman of Red Gum, said that the information presented in this update by these entities supports the strong performance that had been anticipated in earlier releases, including that of 22 September 2014. These figures, reflecting some initial synergies of the entities working cooperatively, bode well for their strong performance as ATG, post listing.

For further information please contact:

Ray Shaw,
Executive Chairman
+61 8 8223 1681