

26 February 2018

## REVISION TO DECEMBER QUARTERLY ACTIVITIES REPORT

Kangaroo Resources Limited (“Kangaroo” or the “Company”) advises that the December 2017 quarterly report, lodged with ASX on 30 January 2018, contained an error in the key conclusions of a bathymetric survey performed by PT. Seascapes Surveys Indonesia (“Seascapes”) for the Graha Panca Karsa (GPK) coal project on that portion of the Mahakam River from the GPK Jetty to Melak. In that report, the Company noted the key conclusions from Seascapes’ report as follows:

- 82% of the time the river will be navigable utilising 4.5m loaded draft with 0.6m under-keel clearance;
- This decreases to 78% of the time if the under-keel clearance is increased to 1.0m;
- 6 critical locations were identified that will limit navigability of the river during periods of low river water levels (2.1 – 2.6m river depth at these points)

Kangaroo has recently been informed by Seascapes that there was an error in its report and a revised report has been issued. The key conclusions of the revised Seascapes report are as follows:

- 51% of the time the river will be navigable utilising 4.5m loaded draft with 0.6m under-keel clearance;
- This decreases to 45% of the time if the under-keel clearance is increased to 1.0m;
- 6 critical locations were identified that will limit navigability of the river during periods of low river water levels (2.1 – 2.6m river depth at these points)

The revised results are not as good as originally reported and would limit the suitability of utilizing 300’ barges along this route. The Company is investigating the suitability of using smaller barges (180’ and/or 230’) as well as the possibility of dredging the critical locations to improve the reliability of any future barging operations.

**About Kangaroo**

The Company's primary focus is creating shareholder value through the development and eventual production of thermal coal from the Pakar North, Pakar South and GPK projects in East Kalimantan, Indonesia.

Information on Kangaroo Resources Limited is available on the Company's website at:

[www.kangarooresources.com](http://www.kangarooresources.com)

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