



ASX Market Release

25th March 2011

PLACEMENT OF 6.25M SHARES AT \$4.00 PER SHARE

Memorandum of Understanding and Framework Agreement Signed

Voluntary Suspension to Remain whilst Further Negotiations Continue

CuDeco Limited (ASX: CDU) (“CuDeco” or the “Company”) is pleased to advise that it has agreed to issue 6,250,000 new shares to a Hong Kong based resources company at a price of \$4.00 share for a total consideration of \$25 million. This placement was a term within a Memorandum of Understanding and “Framework Agreement”, now signed. The essential elements of the Framework Agreement are to secure additional funding and an Off-take Agreement with the Hong Kong based resources company, for the Rocklands Group Copper Project targeted for production in late 2012.

This share issue is a small part of the bigger strategy to secure the necessary capital for the development of the Rocklands Group Copper Project and associated infrastructure, by introducing a cornerstone investor. Negotiations are continuing with the Hong Kong based resources company on the elements of the Framework Agreement, but the investor has agreed in good faith to immediately and unconditionally subscribe for 6.25 million shares at a price which represents a premium of almost 30% to the last traded price of the Company’s shares on ASX prior to the voluntary suspension on 10 March 2011.

The voluntary suspension will continue in place whilst negotiations are finalised in relation to the balance of the transaction with this investor, and meaningful negotiations are undertaken with a number of large Chinese corporations, Hong Kong Groups and Institutions that have been previously introduced to the Company during the past 3½ years of development by CuDeco’s Hong Kong and Beijing teams. Outstanding arrangements under negotiation include an option enabling the Hong Kong company to subscribe for additional shares in CuDeco (in addition to the 6.25m it has just acquired) conditional upon successful negotiations for an off-take agreement.

The Company is also in discussions with its Financial Advisor, Azure Capital, regarding its strategy of listing CuDeco securities in Hong Kong as a secondary

listing. This remains an alternative option for securing the necessary funding for the Rocklands Project.

In the meantime, the Company has taken advantage of the strong Australian dollar to lock in the purchase of a specified amount of US dollars at above parity rates to enable the Company to cover payments under contract arrangements denominated in US dollars. The conversion of \$A to \$US above parity was considered as a natural hedge for settlement of the final contract amount for the recently announced contract with Sinosteel Corporation for the purchase of the process plant equipment. Execution of the contract with Sinosteel was necessary in view of the long lead time for manufacture of certain items, including High Pressure Grinding Rolls (HPGR) and Ball Mills. The fixed sum contract also protects the Company from the widely anticipated inflation in manufacturing costs as a result of increased prices for steel, copper (for electrical circuitry) and labour.

Your Directors will continue to ensure that they strive to achieve the best possible result for CuDeco shareholders in the on-going negotiations..

Yours faithfully



Wayne McCrae
Chairman