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MARKET RELEASE **27th April, 2011**

OFFTAKE AGREEMENT FOR SALE OF MINERAL CONCENTRATES FROM ROCKLANDS GROUP COPPER PROJECT COMPLETED WITH CHINA OCEANWIDE INTERNATIONAL HOLDINGS CO. LTD ("China Oceanwide")

OCEANWIDE INTERNATIONAL RESOURCES INVESTMENT CO. LTD ("Oceanwide") TO SUBSCRIBE FOR A$130M OF SHARES IN CUDECO

CuDeco Ltd is pleased to advise its shareholders that the Company has completed the Offtake Agreement with our new cornerstone investor, the Hong Kong based investment and resources group. The material terms of this agreement are:-

a. China Oceanwide has agreed to purchase a minimum of 60% of the total product from the Rocklands Project.

b. Cudeco has the right to sell the entire 100% of production to China Oceanwide but at CuDeco's future discretion. It is common within the industry to allow for 40% of the product to be sold on the spot market when copper/gold/cobalt prices fluctuate from time to time.

c. The term of the agreement is for 20 years.

d. Under the terms of the Offtake Agreement, as well as purchasing the copper/gold concentrates, the buyer is also purchasing the pyrite/cobalt concentrates, which are anticipated to be approx. 200,000 tonnes per annum. On current prices the margin on the pyrite/cobalt alone is approx. $US805 per tonne. The pricing for the offtakes will be linked to the prices on the London Metals Exchange and the London Bullion Market Association.

In addition Oceanwide has already subscribed to 6.25m shares @ $4.00 per share and has agreed to subscribe to a further 14.95m shares @ $3.80 per share which will entitle them to approx. 14.8% of the shares in CuDeco. Subject to shareholder and FIRB approval the new group have agreed to subscribe for a further 5% (approx. 12m new shares) of the expanded shares on issue which will entitle them to 19.9% of the total shares on issue in CuDeco.

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CuDeco has been locked in negotiations with a number of private and public entities, interested in participating in the Rocklands Project. It was important for CuDeco to have a cornerstone investor which was prepared to enter into the terms and conditions strictly required by the CuDeco Board, that would provide a premium value for shareholders, and not to "do a deal for the sake of getting a deal". The incoming group required 4-6 weeks to complete their thorough and exhaustive due diligence that included geological, financial, management, historical and political evaluation, using Hong Kong and Australian Lawyers, Accounting and Audit firms. CuDeco had had discussions with a number of groups in Hong Kong, China and Korea and the U.S., all interested in participating in the Rocklands Project and, contrary to some reports, the financing of this project has never been an obstacle.

The Company is also in discussions with our financial advisors Azure Capital Ltd for the balance of the funding. The new cornerstone investor has also offered to debt finance the project if required.

The terms of the Offtake Agreement includes a guarantee from the group to purchase 100% of the product produced at Rocklands, which provides significant hedging against any softening of market demand. The agreement is a win-win for CuDeco and the cornerstone investor and is extremely favourable with respect to common Offtake Agreements, but in some respects, differs from traditional Offtake Agreements, with respect of providing timely funds transfer and adjustment. The Company was determined to link up with an investor that respected the value of CuDeco shareholders and the Rocklands project, and who took this into account over and above the market capitalisation as given by the recent ASX valuation.

These negotiations were protracted and took longer than expected but still within the maximum timeframe allowed under the MOU. The outcome and the results, achieved by our negotiating team to get this deal completed were well worth the wait. The Board was also mindful of CuDeco shareholders who, for personal reasons, may have wished to trade their securities during the voluntary suspension of CuDeco, but considered that the importance of the agreement to all shareholders warranted the security measures taken. I thank CuDeco shareholders for their patience in relation to these matters.

In closing I would like to thank the Directors of CuDeco, in particular Executive Director Peter Hutchison and Non-Executive Director Paul Keran, Chief Technical Manager Arthur Hunt, the administrative staff, Karen Erb and her team at our headquarters in Southport, and our regional office staff, Deb Holmes and her team at Cloncurry, for ensuring that the assistance to the HK Investor Group's administrative and financial due diligence was completed diligently, efficiently and professionally. Thank you to the Rocklands Geological Team and our exploration consultants, our Company secretarial service in Perth and to our financial advisors Azure Capital Ltd for their valued contributions to this welcomed outcome. Our new Investor Group would also like to thank all of the abovementioned.

To the CuDeco team in Hong Kong and Beijing, Cameron, Garry, Henry, Jesse and their staff, thank you on behalf of all the Directors and Shareholders of CuDeco. This has been a three and a half year job and this is the fruit of the hard work and is a lesson in “sticking to your guns” whilst negotiating.

This agreement is a major milestone for CuDeco shareholders and one of many more to come in the near future. We have a majestic project, the ”Rocklands Project”, we didn’t need to compromise and we didn’t.

Yours faithfully

Wayne McCrae
Chairman