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**MARKET RELEASE**

**7 OCTOBER 2011**

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### **Update on Oceanwide Resource International Investment Co. Ltd**

In our market release of 27 September 2011 we provided an update on progress with the additional placement of some 15 million shares at \$3.80 with Oceanwide Resource International Investment Co. Ltd (Oceanwide), which was the subject of shareholder approval given on 6 July 2011.

Since then, CuDeco Ltd Managing Director and our Asian Business Development (ABD) management group have continued discussions with Oceanwide concerning this placement and also progressed high level discussions with a number of other Groups in relation to the financing of the Rocklands Project.

The discussions with Oceanwide were related to the placement of 15m shares approved at the general meeting by shareholders on 6th July 2011 and subject to FIRB approval. During the course of these discussions and negotiations the global equities markets have been very volatile, making it increasingly difficult to secure final agreement with Oceanwide on the placement proceeding on the terms outlined in the agreement previously made between Oceanwide and CuDeco. (MOU)

Two tranches of shares have been placed with Oceanwide under this MOU. Oceanwide has already subscribed to 21.2m shares in CuDeco @ \$3.80 and \$4.00 for a total investment of \$81.81m. With the global share markets in decline and the copper price also falling by 25% since our discussions commenced, the Company has been dealing with a request from Oceanwide in light of the circumstances existing, to reconsider the agreed price of the placement. However, any reconsideration of the placement price would, of course, fall outside the approval by shareholders which lapsed on 6 October. Presently the Company has flexibility to proceed with a fresh placement and notes that in the case of Oceanwide, the approval of the FIRB remains current.

#### **Other Parties**

Discussions with Oceanwide are ongoing in light of their request to the Company that they may entertain settlement of the agreed placement but on a deferred basis with completion put back 3 months. The Board is considering its position and whilst it continues discussions with Oceanwide the Company has commenced dialogue with other Hong Kong based groups and is close to finalising an agreement on a placement of shares and short dated options. Considering all of the facts and with all of our focus and decisions based on the protection of

our shareholders, the company feels that it is in the best interest of all shareholders that we continue the discussions with the third party and in the meantime consider the Oceanwide proposal. The discussions with the new group having commenced in the past 7 days are ongoing. Presently the progress of those discussions is affected by the holiday period in China between 1-7 October when Chinese institutions and companies are closed. During this period Hong Kong residents also return to the Chinese Mainland to celebrate the National Day of the People's Republic of China and National Golden Week and it is impossible to continue the negotiations. This has meant that the negotiations have ceased for that period.

### **Continuation of Voluntary Suspension**

In this volatile period where global markets and mineral prices have been severely affected, making negotiations difficult, we feel that re-listing our securities during this time would definitely not be in the best interest of shareholders until the negotiations are complete and brought to a final conclusion one way or another.

In the meantime, the Managing Director and our Hong Kong based ABD management group and advisors who are currently in Hong Kong will continue to negotiate a positive outcome for the benefit of all CuDeco shareholders.

A further update on the status of the ongoing discussions and a timetable for recommencement of trading will be provided as soon as the Company is in a position to do so.

Yours faithfully



Wayne McCrae  
Chairman