

Tuesday, 23 September 2008

MARKET ANNOUNCEMENT

UPDATE ON GALLAGHER SHARE PLACEMENT

- Tranche 2 Share Subscription Agreement not proceeding
- Due diligence not satisfied as a result of international financial crisis
- Gallagher due diligence investigation confirms its view that D&C claims have little or no merit
- Good-faith negotiations between parties for further Gallagher investment in Strike continuing

As previously announced, Gallagher Holdings Limited (Gallagher) was scheduled to declare the results of its due diligence for the second, A\$53.4 million, tranche (Tranche 2) of its agreement to subscribe for 19,412,471 shares in Strike at A\$2.75 per share (Share Subscription Agreement), on or before 22 September 2008.

The Company confirms that it has been advised by Gallagher that its due diligence investigation in relation to Tranche 2 has not been satisfied as a result of the uncertainty created by the international financial crisis.

Gallagher has advised the Company that it is disappointed that Tranche 2 is not proceeding as it conducted extensive due diligence on the Company. In particular Gallagher has advised that its extensive due diligence into the merits of the D&C Group's claims lead it to believe that such claims have little or no merit.

Gallagher has advised the Company that it is still desirous of making a further investment into the Company. The parties are continuing to engage in good faith negotiations to replace Tranche 2 with an alternative investment mechanism into Strike at an issue price of \$2.75 per share.

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