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HAVILAH TO DISTRIBUTE INVESTMENT ASSETS TO SHAREHOLDERS

Havilah Resources NL (Havilah – ASX:HAV) is pleased to announce that it plans to progressively distribute a substantial portion of its more than \$100 million investment portfolio in its subsidiary mining and energy companies to shareholders over the next two years.

This includes :

- 29 million shares in listed uranium explorer Curnamona Energy Limited (ASX : CUY) currently valued at approximately \$65 million, and
- 21 million shares in listed hot rock energy developer, Geothermal Resources Limited (ASX : GHT) currently valued at approximately \$29 million.

Havilah has taken this decision having regard to the advanced stage of the current global commodities cycle, and the fact that these investments currently make up more than 60% of Havilah's present market capitalization. The opportunity has only recently become available to Havilah with the release from April this year of its holding of 29 million Curnamona Energy shares previously subject to escrow provisions.

It is planned that the benefits will be progressively returned to shareholders either via:

- An in-specie distribution of shares, or
- As cash dividends raised by placement of shares, or
- A combination of both.

Some of the funds raised by placing shares may also be used to expand the planned flagship mine development activities of Havilah at its Portia (gold) and Kalkaroo (copper, gold, molybdenum) projects west of Broken Hill, and where the Company considers that its main long-term value adding focus lies.

The exact details and dates have not been determined at this stage, and there are various taxation issues that await resolution. The distributions will be managed in such a way as to maximize the benefit to all Havilah shareholders, while at the same time maintaining control and supporting the growth of subsidiary companies. For example, it is expected that some of Havilah's Curnamona Energy stock will be placed to long term investors who understand the growth potential and who may have the ability to assist Curnamona Energy with future uranium production and marketing.

Commenting on this asset distribution decision, Havilah's Chairman, Dr Bob Johnson said that "this represents an important strategic step for Havilah that will progressively deliver significant wealth directly back to our shareholders ahead of any mining operation. We do not see any downside in this strategy for shareholders because Havilah has an impressive pipeline of development projects that it is working on that will more than compensate for its reduced investment portfolio.

“Our objective is to maximize shareholder wealth and we think this is the best way to achieve it at this time. If shareholders receive the shares or cash it is like an advance dividend thanks to the sound performance of Havilah’s subsidiary companies. Havilah is in the fortunate position that it can do this, while still maintaining a significant controlling interest in its subsidiaries” Dr Johnson said.

Dr K R Johnson
CHAIRMAN

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 83389292