



DEM AUSTRALASIA

UPDATE TO SHAREHOLDERS

Kupang Resources Limited) (ASX code: KPR) ACN 098 773 785 (Receivers and Managers Appointed) (Administrators Appointed) ("Kupang")

I refer to my appointment as Administrator ("Administrator") of Kupang by a resolution of the secured creditor on 29 July 2015 and Deed Administrator on 9 September 2015. On 6 August 2014 Messrs Quentin James Olde and Nathan Vance Landrey of FTI Consulting were appointed as Joint and Several Receivers and Managers.

As Deed Administrator I have now completed my investigation into the affairs of the Kupang and its subsidiaries and published my report. A copy of the report and the explanatory statement as available on our website. Whilst my investigations revealed that there may be sources of recovery available for the benefit of creditors, I do not believe that there will be a recovery sufficient to repay the secured or unsecured creditors in full. On this basis, there will not be a return of capital to shareholders. Accordingly, pursuant to section 104-145 of the Income Tax Assessment Act 1997, I declare that I have reasonable grounds to believe that there is no likelihood that shareholders of Kupang will receive any distribution.

This notice should not be construed as constituting taxation advice. Shareholders should seek their own advice in respect to their personal circumstances prior to relying on this declaration.

For further information regarding the administration please see our website for further announcements.

Dated: 29 July 2016

Yours faithfully

Damien Hodgkinson
Director