

16 December 2011

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ASX RELEASE

Demerger of Auzex Exploration Limited Approved by Shareholders

Auzex Resources Limited (“**Auzex**”) is pleased to announce that Auzex's shareholders today approved the demerger of Auzex Exploration Limited (“**Auzex Exploration**”).

Summary of Voting

In summary, the results of the General Meeting and the Scheme Meeting of shareholders of Auzex which were held today are as follows:

General Meeting	
Number of votes cast by holders in favour of the resolution (in person or by proxy)	67,666,433
Votes in favour of the resolution as a percentage of the total number of votes cast on the resolution (in person or by proxy)	99.90%
Scheme Meeting	
Number of votes cast by holders in favour of the resolution (in person or by proxy)	66,625,424
Votes in favour of the resolution as a percentage of the total number of votes cast on the resolution (in person or by proxy)	99.90%
Number of shareholders voting in favour of the resolution as a percentage of the total number of shareholders voting on the resolution (in person or by proxy)	90.91%

Implementation of Demerger

Auzex will seek orders from the Supreme Court of Queensland approving the scheme of arrangement (**Scheme**) at a second court hearing scheduled for 9:15 am on Tuesday 20 December 2011.

If the Court approves the Scheme, Auzex intends to lodge the orders of the Court with the Australian Securities and Investments Commission on Wednesday 21 December 2011 and the Scheme will become effective on that date. Other key dates for the implementation of the demerger of Auzex Exploration are set out in the Scheme Booklet.

Results of General Meeting

In accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, Auzex provides the following information in relation to the resolution set out below, which was passed by Auzex's members at the General Meeting held on 16 December 2011 (the **Capital Reduction Resolution**):

'That subject to and conditional on:

- (a) the Scheme (namely, the scheme of arrangement between Auzex and Auzex Shareholders referred to as the 'Scheme', as contained in and more particularly described in the Scheme Booklet) being approved by the Court with or without modification; and*
- (b) an office copy of the orders of the Court approving the Scheme being lodged with ASIC,*

the Capital Reduction (namely, the reduction in Auzex's share capital on the Implementation Date under section 256B of the Corporations Act, of an amount of \$10,098,288 applied equally against each Scheme Share in accordance with the Scheme) is approved (terms in this resolution having the same meaning as in the Booklet).'

Poll results

The Capital Reduction Resolution was passed as an ordinary resolution on a poll, the results of which were:

	Number of votes	Percent of votes (%)
Votes in favour of the Capital Reduction Resolution:	67,666,433	99.90%
Votes against the Capital Reduction Resolution:	65,494	0.10%
Abstentions from voting on the Capital Reduction Resolution:	-	-

Proxy votes

The proxy votes received in relation to the Capital Reduction Resolution were as follows:

Total number of proxy votes exercisable by all proxies validly appointed:	65,295,063
Total number of proxy votes in respect of which the appointments specified that:	
the proxy is to vote for the resolution	65,147,769
the proxy is to vote against the resolution	65,494
the proxy may vote at the proxy's discretion	81,800
the proxy is to abstain on the resolution	Nil

Results of Scheme Meeting

In accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, Auzex provides the following information in relation to the resolution set out below, which was passed by Auzex's members at the Court ordered Scheme Meeting held on 16 December 2011 (the **Scheme Resolution**):

'That subject to and conditional on the Capital Reduction Resolution being approved by Auzex Shareholders, (namely, the reduction in Auzex's share capital on the Implementation Date under section 256B of the Corporations Act, of an amount of \$10,098,288 applied equally against each Scheme Share in accordance with the Scheme), pursuant to, and in accordance with, the provisions of section 411 of the Corporations Act, the Scheme (namely, the scheme of arrangement proposed between Auzex and Auzex Shareholders, referred to as the 'Scheme', as contained in and more particularly described in the Booklet accompanying the notice convening

this meeting) is agreed to with or without modification as approved by the Court (terms in this resolution having the same meaning as in the Booklet).'

Poll results

The Scheme Resolution was passed by a majority in number of shareholders present and voting at the Scheme Meeting and by at least 75% of the votes cast on the Scheme Resolution on a poll, the results of which were:

	Number of votes	Percent of votes (%)
Votes in favour of the Scheme Resolution:	66,625,424	99.90%
Votes against the Scheme Resolution:	15,494	0.03%
Abstentions from voting on the Scheme Resolution:	50,000	0.07%

Proxy votes

The proxy votes received in relation to the Scheme Resolution were as follows:

Total number of proxy votes exercisable by all proxies validly appointed:	64,204,054
Total number of proxy votes in respect of which the appointments specified that:	
the proxy is to vote for the resolution	64,106,760
the proxy is to vote against the resolution	15,494
the proxy may vote at the proxy's discretion	81,800
the proxy is to abstain on the resolution	50,000

For further information, please contact

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