

30 August 2012

Strategic Capital Raising – Cape Lambert Resources Ltd becomes a Cornerstone Investor

HIGHLIGHTS

- Cape Lambert Resources Ltd (“Cape Lambert” or “CFE”) has been secured as a cornerstone investor with an investment of \$1 million;
- OGL (“the Company”) is to raise up to a total of \$2m in convertible notes (“Notes”) to provide ongoing funding
- Cape Lambert will appoint a Director to the Board of OGL

OGL Resources Limited (“OGL” or “the Company”) is pleased to announce that Cape Lambert Resources Limited has become a cornerstone investor by subscribing for and being allotted 1 million convertible notes in OGL (“Notes”) which upon conversion, result in a fully diluted interest of 15.2% in the Company (9.8% in shares and 7.6% in options).

Cape Lambert Investment

CFE has subscribed for, and been allotted 1 million OGL Notes equating to a total investment of \$1 million by Cape Lambert.

The Note will convert into fully paid ordinary shares in the Company on completion of the Company’s previously foreshadowed capital raising (which, along with the Company’s re-compliance under ASX Listing Rule 11.1, will be subject to shareholder approval). The Note will convert at 5 cents per share plus a free attaching OGL Option for each share exercisable at 10 cents on or before 31 December 2014 (“OGL Options”).

CFE is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies. CFE focuses on investment in early stage resource projects and companies. Its “hands on” approach is geared to add value and position assets for development and/or sale. The CFE Board and management exhibit a strong track record of delivering shareholder value.

Cape Lambert Executive Chairman Tony Sage said: *“we look forward to being involved with OGL as an investment that satisfies our strict criteria of near-term production, access to infrastructure and long-term mine life from existing JORC Resources. We are confident of a successful outcome of the*

Court case which would enable OGL to complete the acquisition, secure project financing and recommence mining at Ebenezer.”

OGL Managing Director and CEO Allan Fidock said: *“the Company welcomes CFE as a cornerstone investor in OGL. We will look to capitalise on CFE’s expertise and funding support through to the successful recommissioning of the Ebenezer Mine into production in the coming 12 months and continuing the development feasibility of the Bremer View Project.”*

OGL is raising up to a total of \$2 million in Convertible Notes with Patersons Securities acting as Lead Manager to the transaction. \$1.5million has already been committed with the balance (\$0.5M) to be finalised in the near term. The key terms of the convertible note are outlined below:

Terms:

- Convertible Note term of 12 months or completion of a capital raising of minimum A\$60m;
- 10% coupon, capitalised quarterly in arrears and payable on Conversion or redemption of the Note;
- Conversion, which is subject to shareholder approval, at an issue price of the lower of:
 - a) If the Company completes its foreshadowed capital raising within 12 months: \$0.05/share prior to the planned 1:2 consolidation of Shares (Consolidation) on completion of the Capital Raising (which implies post consolidation, a \$0.10 conversion price per Share) plus a 1:1 OGLO.ASX option exercisable at \$0.10/Share on or before 31/12/2014) (pre Consolidation); and
 - b) If the Company does not complete its foreshadowed capital raising within 12 months: The lower of \$0.05/share prior to the planned 1:2 Consolidation and 80% of the 10-day VWAP of the Shares on ASX prior to the Noteholder providing a conversion notice to the Borrower plus 1:1 Option exercisable at \$0.10 per Share (pre Consolidation) with the options bearing the same terms as the current options on issue (OGLO.ASX) with an expiry of 31/12/2014.
- Upon Conversion of the Notes, CFE will be entitled to appoint a single director to the Company’s board.

For and on behalf of the Board



Allan Fidock
Managing Director & Chief Executive Officer

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