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21 November 2012

PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS OFFER

On 27 August 2012, Ridge Resources Ltd ("Ridge" or the "Company") announced that it had entered into an Implementation Agreement with Cardinal Resources Limited ("Cardinal") whereby the Company would acquire 100% of the share capital of Cardinal ("Acquisition").

In conjunction with the acquisition of Cardinal, Ridge will make an offer to Shareholders with a registered address in Australia and New Zealand ("Eligible Shareholders") and registered at 9.00am (AWST) on 28 November 2012 ("Record Date") to participate in a non-renounceable entitlement offer of three new Shares in Ridge ("New Shares") for every two Shares at an offer price of \$0.20 per Share and 3 new Options ("new Options") issued for no additional consideration for each 2 new Shares subscribed ("Offer") to raise approximately \$5.01 million before costs. Fractional entitlements will be rounded down to the nearest whole number, and holdings in the same name will be aggregated for the calculation of entitlements.

The Acquisition and the Offer were subject to the satisfaction of a number of conditions, including approval from Shareholders at the Annual General Meeting of Shareholders held on 19 November 2012, and the Company's successful re-compliance with Chapters 1 and 2 of the Listing Rules. Shareholder approval was obtained for all resolutions at the Annual General Meeting.

Pursuant to the ASX Listing Rules ("Listing Rules"), the Company is required to provide you with certain information as part of the procedure under the Offer. This notice contains all the information required by Appendix 3B of the Listing Rules.

A Prospectus, a copy of which was lodged with ASX on 15 November 2012, will be despatched to all Eligible Shareholders, together with an Entitlement and Acceptance Form, on 30 November 2012. A copy of the Prospectus has been lodged with ASX and is available on the ASX website and the Company's website (www.ridgeresources.com.au). Full details of the terms and conditions of the Offer are contained in the Prospectus.

Pursuant to the Offer, the Company may issue approximately 25,070,250 fully paid ordinary shares in the capital of the Company at an issue price of \$0.20 each and approximately 37,605,375 New Options issued for no additional consideration (based on the number of Shares on issue on the date hereof), to raise a maximum of approximately \$5.01 million (before expenses of the issue). Assuming the Offer is fully subscribed this will result in the Company having a maximum of 41,783,750 Shares on issue following the Offer. The New Shares will rank equally with, existing Shares on issue.

This number may increase by up to 9,392,625 New Shares in the event that existing listed option holders exercise their 6,261,750 options prior to the Record Date.

In addition to the issue for New Shares and New Options under the Offer, up to 33 million Shares and 16.5 million Options will be offered to Cardinal Shareholders pro rata in proportion to the number of Cardinal

Shares held by them respectively on the basis of 3 Shares for every 4 Cardinal Shares held, and 1 Option for every 2 new Shares subscribed for. Assuming the Cardinal Shareholders accept the offer of securities pursuant to the Acquisition, this will result in the Company having 74,033,750 Shares and 59,992,125 Options on issue following the Acquisition and the Offer (assuming no Options are exercised and the Offer is fully subscribed).

The Offer is non-renounceable. This means that there will be no trading of entitlements to subscribe for the New Shares on the ASX and you may not dispose of your entitlement to subscribe for New Shares under the Offer to any other party.

Please note that Shareholders at the Record Date that have an address registered outside Australia and New Zealand will not be eligible to participate in the Offer.

Only shareholders who are registered at the Record Date will be eligible to participate in the Offer. There is no inherent right in your options to participate in the Offer. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Offer.

Accordingly, if you wish to participate in the Offer (to the extent of any Shares which would be issued upon exercise of your options) you must exercise your options in time for Shares to be allotted to you before the Record Date. To ensure that your Shares are allotted and issued before the Record Date, your application on exercise of option ("Application") together with your cheque for the necessary amount must be received by Ridge no later than 7.00pm (AEST) on Friday, 23 November 2012. Any Shares to be issued in relation to a Notice of Exercise received after this date cannot be assured of being allotted and issued before the Record Date.

If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Offer carefully and consult with your professional advisor if necessary.

Key Dates

The timetable in respect of the Offer is set out below:

Event	Date
Lodgement of Prospectus with the ASIC	15 November 2012
General Meeting of Shareholders	19 November 2012
Suspension of securities	19 November 2012
Notice sent to Shareholders	21 November 2012
Ex Date	22 November 2012
Record Date for determining Shareholder entitlements	28 November 2012
Prospectus despatched to Shareholders	30 November 2012
Entitlement Offer Opening Date	30 November 2012
Entitlement Offer Closing Date	14 December 2012
Notify ASX of under-subscriptions	19 December 2012
Despatch date/securities entered into Shareholders' security holdings	24 December 2012

1. Trading in securities will only be reinstated by ASX after the Company has complied with Chapters 1 and 2 of the Listing Rules which is expected to be in late December 2012 or early January 2013. The Company will seek to minimise the period of suspension as much as possible.
2. The timetable outlined above is indicative only and subject to change. The Directors, in conjunction with Azure, reserve the right to vary these dates, including the Closing Date, without prior notice but subject to the Corporations Act and the Listing Rules. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment.

The timetable outlined above is indicative only and subject to change. The Directors, in conjunction with Azure, reserve the right to vary these dates, including the Closing Date, without prior notice but subject to the Corporations Act and the Listing Rules. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment.

For further information on your entitlement to the Offer, or how to deal with the Offer, please contact the Company Secretary on (+61 8) 6263 0888 or the Company's Share Registry, Computershare Investor Services Pty Limited 1300 850 505 (within Australia) or (+61 3) 9415 4000 (outside Australia).

Yours sincerely



Alec Pismiris
Director/Company Secretary

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