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18 July 2012

BLACKTHORN RESOURCES LIMITED ANNOUNCES SUCCESSFUL COMPLETION OF INSTITUTIONAL CAPITAL RAISING

KEY POINTS

- **Institutional component of capital raising successfully completed, raising \$29.7 million.**
- **Strong support shown by both new and existing institutional shareholders.**
- **Retail offer opens on Friday, 27 July 2012.**

Blackthorn Resources Limited (ASX: BTR, “**the Company**” or “**Blackthorn Resources**”) is pleased to announce the successful completion of the institutional placement (“**Institutional Placement**”) and the institutional component of its 2 for 17 accelerated non-renounceable entitlement offer (“**Institutional Entitlement Offer**”, and together with the Institutional Placement, the “**Institutional Offer**”) announced yesterday.

A total of \$29.7 million was raised under the Institutional Offer, consisting of:

- \$6.2 million under the Institutional Entitlement Offer; and
- \$23.5 million under the Institutional Placement.

The Institutional Offer was strongly supported by both existing institutional shareholders in Blackthorn Resources and new institutional investors. A subsidiary of Glencore International plc (“**Glencore**”) participated in the Institutional Offer to the extent necessary to maintain its current shareholding of 14.2%.

Blackthorn Resources’ Chief Executive Officer, Scott Lowe, said: “We are delighted by the robust support demonstrated by Blackthorn Resources’ existing institutional shareholders and welcome a number of new institutional investors to Blackthorn Resources’ register. We consider their support of the Institutional Offer a strong endorsement of Blackthorn Resources’ existing and stated objectives”.



The new shares to be issued under the Institutional Offer will rank equally with existing shares from the date of their issue. Settlement of the Institutional Offer is expected to be completed on Tuesday 31 July 2012 and accordingly the new shares issued under the Institutional Offer are expected to be issued and commence trading on ASX on Wednesday 1 August 2012.

COMMENCEMENT OF THE RETAIL ENTITLEMENT OFFER

The retail component of the 2 for 17 accelerated non-renounceable entitlement offer ("**Retail Entitlement Offer**") and together with the Institutional Offer, the "**Offer**") is expected to raise approximately \$10.4 million and is fully underwritten.

The Retail Entitlement Offer will open on Friday 27 July 2012 and closes at 5:00pm (AEST) on Monday 13 August 2012. Eligible Retail Shareholders (defined below) will have the opportunity to participate at the same offer price and the same offer ratio as the Institutional Entitlement Offer.

Blackthorn Resources retail shareholders with a registered address in Australia or New Zealand at 7:00pm (AEST) on Friday 20 July 2012 ("**Record Date**")¹ ("**Eligible Retail Shareholders**") will be entitled to participate in the Retail Entitlement Offer on the terms and subject to the conditions set out in the booklet relating to the Retail Entitlement Offer ("**Retail Offer Booklet**"). Eligible Retail Shareholders will be entitled to acquire 2 new fully paid ordinary shares in Blackthorn ("**New Shares**") for every 17 existing Blackthorn Resources shares held on the Record Date ("**Entitlement**"). Fractional Entitlements will be rounded up.

Under the Retail Entitlement Offer, Eligible Retail Shareholders may also apply for additional New Shares in excess of their Entitlement ("**Additional New Shares**") up to a maximum of 25% of their Entitlement. That is, they may in aggregate apply for New Shares and Additional New Shares equal to a maximum of 125% of their Entitlement. The allocation of Additional New Shares and any scale back will be subject to the availability of Additional New Shares and in Blackthorn Resources' absolute discretion. As the Entitlement Offer is non-renounceable, there will be no trading of Entitlements.

Eligible Retail Shareholders will be sent further details about the Offer in the Retail Entitlement Offer Booklet to be lodged with Australian Securities Exchange ("**ASX**") on, and despatched on or around, Thursday 26 July 2012. Investors who have questions relating to the Offer should call the Blackthorn Resources Offer Information Line on 1300 638 611 (within Australia) or +61 3 9415 4355 (outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period which is Friday, 27 July 2012 until 5:00pm (AEST) Monday 13 August 2012.

Blackthorn Resources expects its trading halt to be lifted and Blackthorn Resources shares to recommence trading on an ex-entitlement basis from market open today.

The Offer is fully underwritten by UBS AG, Australia Branch.

¹ Other eligible criteria will be set out in the Retail Offer Booklet.

CAPITAL RAISING TIMETABLE

Event	Date (2012)
Record Date (7pm, AEST)	Friday 20 July
Retail Entitlement Offer opens	Friday 27 July
Settlement of Institutional Offer	Tuesday 31 July
Issue of New Shares under the Institutional Offer Normal trading of New Shares issued under the Institutional Offer commences	Wednesday 1 August
Retail Entitlement Offer closes (5pm, AEST)	Monday 13 August
Announcement of Retail Entitlement Offer results	Thursday 16 August
Settlement of Retail Entitlement Offer	Monday 20 August
Issue of New Shares under the Retail Entitlement Offer	Tuesday 21 August
Normal trading of New Shares issued under the Retail Entitlement Offer commences and mailing of updated CHES notices and issuer sponsored holding statements completed	Wednesday 22 August

The above timetable is indicative only and subject to change. Blackthorn Resources, in conjunction with the underwriter and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates, including the Retail Entitlement Offer closing date, without notice and to accept late applications, in each case, either generally or in particular cases. The commencement of quotation of New Shares is subject to confirmation from ASX.

Eligible Retail Shareholders are encouraged to read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. Shareholders who are in any doubt as to how they should respond should consult their stockbroker, accountant or other independent professional adviser without delay.

Should you require further information please contact:

Scott Lowe
Managing Director
Ph: + 61 2 9357 9000



IMPORTANT NOTICES

Further information in relation to the matters described in this announcement including important notices, key risks and assumptions in relation to certain forward-looking information in this announcement is set out in an investor presentation released yesterday to ASX by Blackthorn Resources. The information in the Important Information and Key Risks sections of that presentation applies to this announcement as if set out in full in this announcement.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Rule 902(k) under the U.S. Securities Act of 1933 (the "U.S. Securities Act")) ("U.S. Persons"). Neither the Entitlements nor New Shares have been, and none of them will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. In addition, Blackthorn Resources has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") in reliance on the exception from the definition of "investment company" provided by Section 3(c)(7) thereof. The Entitlements in the Retail Entitlement Offer may only be taken up by, and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to, directly or indirectly, persons that are not in the United States and are not, and are not acting for the account or benefit of, U.S. Persons in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

Neither this announcement nor any other documents relating to the offer of New Shares may be sent or distributed to persons in the United States or to any U.S. Person.