
Media/ASX Release**3 June 2013**

Market Update - Proposed Settlement Agreement

Highlights:

- **\$12 million proposed settlement for monies owing to Blackwood under the SPA.**
- **No shares issued under the SPA.**
- **Legal proceedings against directors and the former company secretary of Mulsanne Resources and freezing order application adjourned by Liquidators to 1 July 2013 to facilitate the proposed settlement.**
- **Mr Tinkler's associated companies and Family Trust provide undertakings that if certain assets are sold prior to 30 June 2013 and those assets either individually, or in combination, net an amount of at least \$12 million, the proceeds from those sales will be paid to Blackwood in satisfaction of the proposed settlement amount.**
- **If payment is made by 30 June 2013 then:**
 - **SPA terminated with no shares issued under the SPA and the parties are released of their obligations under the SPA.**
 - **All legal proceedings and applications are to be dismissed by consent orders.**
- **If payment is not made by 30 June 2013 then legal proceedings against directors and the former company secretary of Mulsanne Resources and the freezing order application are to continue.**

Blackwood Corporation Limited ("**Blackwood**" ASX:BWD) advises that it has today entered into a Deed of Settlement and Release with Mr Nathan Tinkler and his associates and associated companies for a proposed settlement ("**Proposed Settlement Agreement**") concerning:

- (a) the Share Placement Agreement ("**SPA**") entered into with Mulsanne Resources Pty Ltd (a company associated with the Tinkler Group) ("**Mulsanne Resources**"); and
- (b) the freezing order application and the legal proceedings against the directors of Mulsanne Resources for insolvent trading and against directors and the former company secretary for breach of their duties as directors and officers of Mulsanne Resources in regard to the SPA ("**Legal Proceedings**").

Under the Proposed Settlement Agreement the parties have agreed:

- (a) That one or more of Nathan Tinkler's associated companies pay to Blackwood \$12,000,000 on or before 30 June 2013 ("**Payment Obligation**") in full and final settlement of (amongst other things) the SPA and the Legal Proceedings.

- (b) The Liquidators acting on behalf of the creditors of Mulsanne Resources will adjourn the Legal Proceedings until 1 July 2013, to facilitate the proposed settlement under the Proposed Settlement Agreement.
- (c) To facilitate the Payment Obligation, certain of Mr Tinkler's associated companies and Family Trust have each provided an irrevocable undertaking that should certain assets be sold prior to 30 June 2013, and any one or more of those assets nets an amount of \$12 million, then they will provide a direction for the purchaser to pay the consideration to Blackwood up to the amount of the Payment Obligation, after any applicable first encumbrance has been satisfied.
- (d) If the Payment Obligation is satisfied by 30 June 2013 then:
 - (i) the SPA is terminated with no shares to be issued under the SPA and the parties being released from all obligations under the SPA; and
 - (ii) the Legal Proceedings will be dismissed.
- (e) If the Payment Obligation is not satisfied by 30 June 2013 then the Legal Proceedings will continue in accordance with the legal process.

Blackwood will continue to monitor the recoverability of the monies owed to the Company under the SPA and will keep the market updated on further developments.

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