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The Companies Announcements Office
ASX Limited

China Minsheng Bank Corporation's Letter of Proposal for Project Financing SARCO

We are very pleased to announce a significant development in one of our announced milestones. **Sino Australian Resources Co., Ltd ("SARCO")**¹ has received a signed letter of proposal from **China Minsheng Banking Corporation Ltd ("CMBC")**² in relation to SARCO's announced plan to build a US\$600million 600,000tonne per annum capacity alumina refinery in Laos.

CMBC, "It is the bank's intention to provide the necessary project financing SARCO requires. We believe the project in Laos presents a significant opportunity for SARCO and the Chinese alumina market.We think a 70% lending ratio can be applied to this project."

We welcome CMBC's proposal. CMBC is one of the largest privately owned and listed banks in China (listed on the Shanghai Stock Exchange). It has a market capitalisation of 160billion Chinese Yuan. CMBC has enjoyed a close relationship with China Non-Ferrous Metal Industry's Foreign Engineering & Construction Co. Ltd ("NFC"). It has project-financed many of NFC's EPC projects in the past.

We are continuing our discussions with CMBC regarding SARCO's project financing needs. We also continue to have dialogues with other financial institutions. We plan to secure the best project financing package agreement prior to IPO of SARCO.

A good project financing package is a critical building block in SARCO's planned alumina refinery. SARCO is advantageous in having close relationships with Chinese banks that understand the long term nature of a refinery and the underlying macro fundamentals supporting the economics of building the refinery.

We thank CMBC for its support. It is a strong vote of confidence in SARCO. An attractive project finance package will ensure SARCO's alumina refinery has long term financing cost certainty and boost long term intrinsic value in SARCO.

If you have any questions please contact Frank Zhu, Head of Corporate Development via investor.relations@ord.com.au.

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¹ NFC and ORD own 51% and 49% respectively.

² http://www.cmbc.com.cn/index_en.shtml and stock code 600016 (Shanghai Stock Exchange).