

18 APRIL 2013

ASX ANNOUNCEMENT

CENTRAL AUSTRALIAN PHOSPHATE DIRECTORS REITERATE THEIR RECOMMENDATION TO REJECT THE RUM JUNGLE OFFER AND CLARIFY CERTAIN MATTERS

Central Australian Phosphate Limited (ASX:CEN) ("CEN") refers to its announcement dated 10 April 2013 (the "Announcement") and takes this opportunity to reiterate to all CEN shareholders their Directors' recommendation that they <u>REJECT</u> the inadequate and unfair takeover bid by Rum Jungle Resources Limited ("Rum Jungle") for their CEN shares (the "Offer").

In response to correspondence from Rum Jungle in relation to the Announcement, CEN wishes to clarify certain matters for the avoidance of doubt. This announcement should be read together with the 10 April Announcement.

Statement as to RUM's intentions

The Announcement states that your Directors believe the Offer is likely to be Rum Jungle's first move. The CEN Directors hold this view on the basis that the full synergies to be delivered to Rum Jungle under the Offer can only be released if Rum Jungle acquires 100% of CEN (or a sufficient interest to allow it to proceed to compulsory acquisition). In forming their view, the CEN Directors also considered the following statement in Rum Jungle's ASX announcement on 11 March 2013:

"The Arganara Project, which is adjacent to your company's Barrow Creek 1 Project, together, appears to form a single geological entity. The combined Measured, Indicated and Inferred Resources of this single geological entity is in excess of half a billion tonnes of phosphate rock grading 14.8% P2O5."

..., you will appreciate that the ownership and development of the assets held by CEN naturally fits your Company's portfolio of assets."

For the avoidance of doubt, CEN clarifies that it is not aware of any specific intention on the part of Rum Jungle to make any further offer should it not acquire 100% of CEN (or a sufficient interest to allow compulsory acquisition) under the Offer and there can be no guarantee as to what action Rum Jungle might take in those circumstances.

Comparison of resource positions

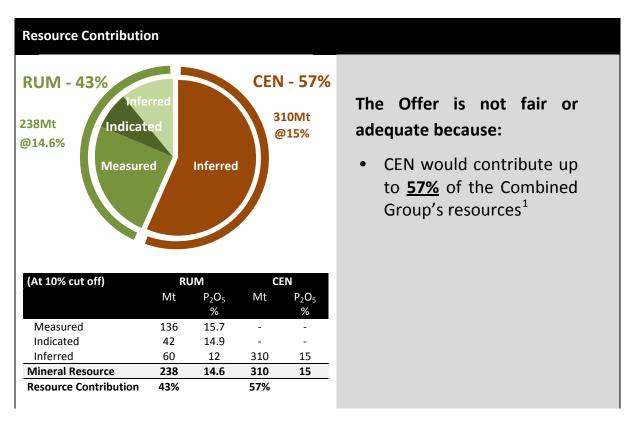
The Announcement states that if the Offer proceeds and Rum Jungle acquires 100% of CEN:

- the existing assets of CEN would contribute up to 57% of Rum Jungle's resources after the acquisition; and
- existing CEN shareholders would hold 11% of Rum Jungle after the acquisition is completed.

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Accompanying these statements is a table reflecting the relative resources which may be contributed by the respective companies and notes the classification of each company's resources (that is the proportion classified as Measured, Indicated or Inferred under the JORC Code 2004). Accordingly, CEN Shareholders should read the Announcement as supplemented by the updated diagram below, which identifies the respective resource classifications which may be contributed by each company:



CEN wishes to clarify that the reference to CEN shareholders holding 11% of Rum Jungle after the close of the Offer does not take into account the cash component of the consideration under the Offer, being 1 Rum Jungle share plus 20 cents cash for every 20 CEN shares. 11% is also the **MAXIMUM** possible percentage of Rum Jungle CEN shareholders could hold as a result of the Offer – the actual percentage may be much less if Rum Jungle does not acquire 100% of CEN.

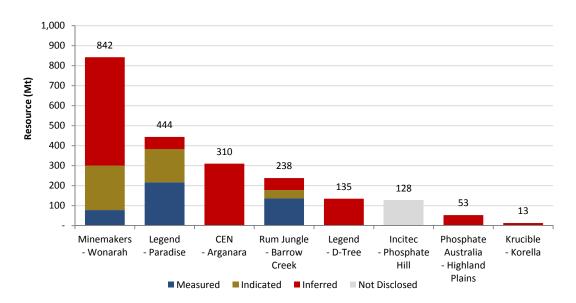
Australian phosphate deposits

The Announcement features a table summarising the phosphate resources of various Australian phosphate deposits based on publicly available information. The updated chart below presents the different resource classifications under the JORC Code 2004 for each deposit to the extent disclosed by the relevant entity.

 1 Rum Jungle resources - Measured, Indicated and Inferred Resource is 238Mt @ 14.6% Phosphate (P_2O_5) (10% cut-off). Refer Rum Jungle Resources announcement dated 21 January 2013 "Measured Resource Update Barrow Creek 1 Phosphate Deposit Ammaroo Phosphate Project"

CEN resources – Inferred Resource is 310Mt @ 15% Phosphate (P_2O_5) (10% cut-off). CEN announcement dated 15 August 2012 "Arganara Maiden JORC Resource"

Australian Phosphate Deposits



Rum Jungle's view of CEN's Arganara Phosphate Project

The Announcement states the CEN Directors' opinion that Rum Jungle recognises and accepts that CEN's Arganara Phosphate Project is key to unlocking the value of its Barrow Creek Phosphate Project. This opinion is based on the statement in Rum Jungle's 11 March 2013 announcement that its board "believes the acquisition of CEN is a compelling next step in unlocking the value of the complementary Barrow Creek and Arganara Projects..." and does not seek to imply that acquisition of CEN is itself a prerequisite to further development of Rum Jungle's Barrow Creek Project should the Offer not proceed, although no disclosure was made in the Bidder's Statement as to how that value may be "unlocked" without the acquisition of CEN.

AS NOTED IN THE ANNOUNCEMENT, A TARGET'S STATEMENT WILL BE ISSUED BY THE DIRECTORS OF CENTRAL AUSTRALIAN PHOSPHATE LIMITED SHORTLY.

THAT TARGET'S STATEMENT WILL CONTAIN ALL OF THE INFORMATION YOU NEED TO CONSIDER THE OFFER.

PENDING RECEIPT OF THE TARGET'S STATEMENT, YOUR DIRECTORS RECOMMEND THAT YOU REJECT THE OFFER AND TAKE NO ACTION IN RELATION TO THE OFFER.

Please direct enquiries or requests for further information to:

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Executive Director – Co-Head of Perth Office
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Forward looking statements & competent persons' statement

The information in this announcement that relates to mineral resource estimation for Arganara is based on work completed by Mr Jonathon Abbott who is a full-time employee of MPR Geological Consultants Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr Abbott visited Arganara site on the 15th and 16th of May 2012.

The information in this announcement that relates to exploration results, background to the project, future work, comments on the resource estimates and economic potential of the estimated resource is based on information compiled by Mr Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Mr Johnstone has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnstone, who is an officer of the Company, consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

This announcement contains forward looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause CEN's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by such forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. The forward-looking statements included in this announcement are made only as at the date of this announcement or the date on which the relevant statement was actually made, as the case may be. CEN and its directors, officers and advisors give no representation, assurance or guarantee to CEN shareholders or any other person that any forward-looking statements will actually occur or be achieved. CEN shareholders are cautioned not to place undue reliance on forward-looking statements. Past performance is not necessarily a guide to the future performance of CEN no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast."..