

2 May 2013

Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgement

Market Update

Liquidators initiate legal action against Mulsanne Resources directors for insolvent trading

Liquidators acting on behalf of the creditors of Mulsanne Resources Pty Ltd (a company associated with the Tinkler Group) ("**Mulsanne Resources**"), including its largest creditor **Blackwood Corporation Limited** ("**Blackwood**" or "**Company**" ASX:BWD) have commenced legal action against the directors of Mulsanne Resources for insolvent trading and breach of their duties as directors, in regard to the Share Placement Agreement entered into with Mulsanne Resources ("**SPA**") which was approved by Shareholders at the General Meeting held on 12 July 2012.

On 20 November 2012, the Supreme Court of New South Wales ordered that Mulsanne Resources be wound up under the Corporations Act 2001 (Cth) and that Robyn Louise Duggan and John Melliush of Ferrier Hodgson be appointed as joint and several liquidators of Mulsanne Resources ("**Liquidator**").

The Liquidator has now commenced proceedings against the directors; Mr Nathan Tinkler and Mr Matthew Keen and the former company secretary, Ms Aimee Hyde in relation to insolvent trading and breach of directors' duties.

If the Court finds the directors and officers liable for insolvent trading, it may make compensation orders against them personally for which they will be jointly and severally liable. In this case, the Liquidator has indicated that it will enforce the orders against any or all defendants.

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.

For and on behalf of the Board

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Company Secretary

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