



ASX/MEDIA RELEASE

POSSIBLE CASH OFFER FOR KALAHARI MINERALS PLC

March 8, 2011: Extract Resources Limited (ASX/TSX/NSX: EXT) ("Extract") notes the announcement on the London Stock Exchange by Kalahari Minerals plc ("Kalahari") and CGNPC Uranium Resources Co Ltd ("CGNPC-URC") of a possible recommended cash offer by CGNPC-URC for Kalahari, Extract's 42.79% shareholder.

The independent directors of Extract will consider the implications of the announcement for Extract. In the meantime, shareholders are advised to take no action and await further advice from the Board.

A copy of the joint Kalahari / CGNPC-URC announcement is attached.

About Extract Resources

Extract Resources Ltd is an international uranium exploration and development company whose primary focus is in Namibia. The company's principal asset is its 100%-owned Husab Uranium Project which contains one of the five largest uranium only deposits in the world. Extensive exploration potential also exists for new uranium discoveries in the region. Extract Resources is listed on the Australian (ASX), Toronto (TSX) and Namibian (NSX) Stock Exchanges.

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KALAHARI ANNOUNCEMENT

RNS Number : 4804C
CGNPC Uranium Resources Co., Ltd
07 March 2011

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INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A
VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

7 March 2011

CGNPC URANIUM RESOURCES CO., LTD.

("CGNPC-URC")

POSSIBLE RECOMMENDED CASH OFFER FOR KALAHARI MINERALS PLC
("Kalahari")

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.5 OF THE CITY CODE. THERE CAN BE NO CERTAINTY THAT ANY OFFER WILL ULTIMATELY BE MADE.

Summary

- The CGNPC-URC Board and the Kalahari Board are pleased to announce that they are in discussions regarding a possible recommended cash offer by CGNPC-URC or a subsidiary undertaking of CGNPC-URC for the entire issued and to be issued share capital of Kalahari (the "**Possible Offer**").
- CGNPC-URC, a state-owned enterprise in the PRC, has established strong relationships with domestic and overseas manufacturers and suppliers of natural uranium. An acquisition of Kalahari is therefore in line with its ongoing strategy to support development of important new sources of natural uranium supply.
- The Possible Offer will comprise 290 pence in cash for each Kalahari Share (the "**Offer Price**"), valuing Kalahari's fully diluted share capital, including shares attributable to the Options and Convertible Loan Notes, at approximately £756 million.
- The Possible Offer is at an attractive price and represents a premium of approximately:
 - o 11 per cent to the Closing Price of 260.25 pence per Kalahari Share on 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period;

o 21 per cent to the Closing Price of 239.75 pence per Kalahari Share on 18 February 2011, being the latest practicable Business Day prior to the announcement by Extract Resources Ltd ("**Extract**") (in which Kalahari has a 42.79 per cent shareholding) that it was in discussions regarding a potential combination of Extract's Husab Uranium Project and Rio Tinto's Rössing Uranium Mine; and

o 38 per cent to the average Closing Price of 209.7 pence per Kalahari Share for the six months prior to and including 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period.

- The Possible Offer is subject to a number of Pre-Conditions including certain regulatory clearances from the authorities in China and Australia as well as finalising the financing to the standards required by the City Code. CGNPC-URC reserves the right to waive any of the Pre-Conditions and, with the consent of the Panel, make any Pre-Condition set out in this announcement a condition to any formal offer.
- CGNPC-URC intends to engage with the Australian Securities and Investments Commission ("**ASIC**") prior to any Rule 2.5 Announcement, to confirm that any offer under Rule 2.5 of the City Code is in compliance with the Australian Corporations Act. CGNPC-URC will seek relief from ASIC to acquire a relevant interest in more than 20 per cent of Extract on a basis agreed between CGNPC-URC and ASIC.
- The Kalahari Board has indicated to the CGNPC-URC Board that should a firm intention to make an offer under Rule 2.5 of the City Code be made on the terms of the Possible Offer, the Kalahari Board intends to recommend that Kalahari's shareholders accept such offer.
- To demonstrate their commitment to the Possible Offer, CGNPC-URC and Kalahari have entered into the Implementation Agreement providing certain assurances and confirmations between the parties, including mutual break fees.
- CGNPC-URC has received irrevocable undertakings from each member of the Kalahari Board (other than Takashi Yasuda who does not own any shares) to accept the Possible Offer upon it being made, subject to there being no Superior Proposal representing an improvement of 5.0 per cent to the value of the consideration under the Possible Offer, in respect of their entire holdings of Kalahari Shares including an offer for their Options (being, in aggregate 19,549,006 Kalahari Shares which represent approximately 7.3 per cent of the fully diluted share capital of Kalahari).

Commenting on the Possible Offer, Zhiping Yu, CGNPC-URC's Managing Director said:

"We are delighted to have secured the support of the Kalahari Board, as we believe this highlights both the attractive value of the Possible Offer and CGNPC-URC's status as an excellent partner for the future development of the Husab Uranium Project."

Commenting on the Possible Offer, Mark Hohnen, Kalahari's Executive Chairman said:

"The Kalahari Board has considered the Possible Offer from CGNPC-URC carefully in the context of other opportunities available to Kalahari and the Kalahari Board believes this represents attractive value for Kalahari Shareholders. If made, the Possible Offer would enable Kalahari Shareholders to crystallise this value now, in cash. CGNPC-URC's core business activities are centred on the management and supply of nuclear fuels for its parent, CGNPC, establishing interests in and supporting the development of commercial resources and reserves of natural uranium. The Kalahari Board believes this pre-eminent position in the uranium sector makes CGNPC-URC a suitable partner for the realisation of the full potential of the Husab Uranium Project to the benefit of all stakeholders."

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its appendices)

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This announcement does not amount to a firm intention to make an offer under Rule 2.5 of the City Code. There can be no certainty that any offer will ultimately be made even if the Pre-Conditions are satisfied or waived.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the FSA. Details about the extent of Deutsche Bank AG's authorisation and regulation by the FSA are available on request. Deutsche Bank AG, London Branch (and its affiliates) are acting as financial adviser to CGNPC-URC and no one else in connection with the contents of this announcement and the Possible Offer and will not be responsible to any person other than CGNPC-URC for providing the protections afforded to clients of Deutsche Bank AG, London Branch (or its affiliates), nor for providing advice in relation to the Possible Offer or any matters referred to herein.

Ambrian, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Kalahari as financial adviser in relation to the Possible Offer and is not acting for or advising any other person and accordingly will not be responsible to any person other than Kalahari for providing the protections afforded to the customers of Ambrian or for providing advice in relation to the contents of this announcement and the Possible Offer. Neither Ambrian nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a customer of Ambrian in connection with this announcement, any statement contained herein or otherwise.

Strand Hanson Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Kalahari as nominated adviser and is not acting for or advising any other person and accordingly will not be responsible to any person other than Kalahari for providing advice in relation to the contents of this announcement. Neither Strand Hanson Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a customer of Strand Hanson Limited in connection with this announcement, any statement contained herein or otherwise.

This announcement has been prepared in accordance with English law, the City Code, the AIM Rules and the Disclosure and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Forward-Looking Statements

This announcement may contain "forward looking statements" concerning CGNPC-URC and Kalahari. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward looking statements. The forward looking statements involve risks and uncertainties that could cause actual results to differ materially from those suggested by them. Many of these risks and uncertainties relate to factors that are beyond the ability of CGNPC-URC and Kalahari to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement.

Neither CGNPC-URC nor Kalahari undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of CGNPC-URC, Kalahari or the Enlarged Group following completion of a formal offer unless otherwise stated.

Opening Position and Dealing Disclosure Requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's

interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication on websites

A copy of this announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on CGNPC-URC's website at www.cgnpc.com.cn and on Kalahari's website at www.kalahari-minerals.com.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the Code, Kalahari confirms that on 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period, it had 245,424,578 ordinary shares in issue all with equal voting rights. The total number of voting rights in Kalahari is therefore 245,424,578. The International Securities Identification Number for the Kalahari ordinary shares is GB00B117S132.

Please be aware that addresses and certain other information provided by Kalahari Shareholders, persons with information rights and other relevant persons for the receipt of communications from Kalahari may be provided to CGNPC-URC during the offer period as required under Section 4 of Appendix 4 of the Code.

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FOR IMMEDIATE RELEASE

7 March 2011

CGNPC URANIUM RESOURCES CO., LTD.

("CGNPC-URC")

POSSIBLE RECOMMENDED CASH OFFER FOR KALAHARI MINERALS PLC ("Kalahari")

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1. Introduction

The CGNPC-URC Board and the Kalahari Board are pleased to announce that they have entered into the Implementation Agreement regarding a possible recommended cash offer by CGNPC-URC or a subsidiary undertaking of CGNPC-URC for the entire issued and to be issued share capital of Kalahari (the "**Possible Offer**").

2. The Possible Offer

The Possible Offer will comprise 290 pence in cash for each Kalahari Share (the "**Offer Price**"), valuing Kalahari's fully diluted share capital, including shares attributable to the Options and Convertible Loan Notes, at approximately £756 million.

The Possible Offer is at an attractive price and represents a premium of approximately:

- 11 per cent to the Closing Price of 260.25 pence per Kalahari Share on 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period;
- 21 per cent to the Closing Price of 239.75 pence per Kalahari Share on 18 February 2011, being the latest practicable Business Day prior to the announcement by Extract Resources Ltd ("**Extract**") (in which Kalahari has a 42.79 per cent shareholding) that it was in discussions regarding a potential combination of Extract's Husab Uranium Project and Rio Tinto's Rössing Uranium Mine; and
- 38 per cent to the average Closing Price of 209.7 pence per Kalahari Share for the six months prior to and including 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period.

3. Background on Kalahari

Kalahari is an AIM and NSX listed resource company with uranium, gold, copper and other base metal interests in Namibia. Kalahari's key value driver is its holding of 42.79 per cent in ASX, TSX and NSX listed Extract. Kalahari also has a holding of approximately 44.7 per cent in AIM listed North River Resources plc which represents a relatively minor part of Kalahari's business. Kalahari is currently managed and controlled from the United Kingdom.

Extract is developing the Husab Uranium Project, strategically located within a 50km radius of several world class uranium deposits.

4. Background on CGNPC-URC

CGNPC-URC is a 100 per cent owned subsidiary of China Guangdong Nuclear Power Holding Corporation ("CGNPC"). Based in Shenzhen within the PRC, CGNPC is a state owned nuclear power producer with material interests in nuclear fuels procurement and production.

CGNPC-URC's core business activities are to (i) manage supply of nuclear fuels for CGNPC; (ii) establish an interest in and support development of commercial resources and reserves of natural uranium; and (iii) deal with the import and export trade of domestic and overseas natural uranium and related products.

CGNPC-URC has established very good cooperation relationships with domestic and overseas suppliers of natural uranium, and has brought Chinese support to development and ongoing operation of a number of international uranium resources.

CGNPC-URC is in discussions with possible consortium partner(s) who may join CGNPC-URC as minority investor(s) for the purposes of making the Possible Offer.

5. Background to and reasons for the Possible Offer

Given China's emphasis on diversifying energy sources and its intended increase in nuclear generating capacity, CGNPC-URC is committed to supporting development of new supply capacity in the natural uranium market in China. CGNPC-URC is at the forefront of China's diversification from its reliance on fossil fuel sources to provide cleaner, lower carbon and environmentally-friendly power to its growing population.

CGNPC-URC is delighted to have secured the support of the Kalahari Board, as it believes this highlights both the attractive value of the Possible Offer and CGNPC-URC's status as an excellent partner for the future development of the Husab Uranium Project by Extract.

6. Kalahari Board's intention to recommend

The Kalahari Board has indicated to the CGNPC-URC Board that should a firm intention to make an offer under Rule 2.5 of the City Code be made on the terms of the Possible Offer, the Kalahari Board intends to recommend that Kalahari's shareholders accept such offer.

7. Kalahari Options and Loan Notes

CGNPC-URC intends to make appropriate cash offers to the holders of the Convertible Loan Notes and the Options that are still subsisting and such holders will be informed of the proposals as soon as is practicable.

Kalahari has agreed that, pursuant to the terms of the Option Agreements, it shall, shortly after the Rule 2.5 Announcement is released, notify the Option Holders that the Options shall be exercisable from such date and for such period as allows the exercise of Options prior to the Possible Offer becoming closed and that any Option not exercised as at the date the Option Offer closes shall lapse immediately on such date.

8. Irrevocable Undertakings

CGNPC-URC has received irrevocable undertakings from each member of the Kalahari Board (other than Takashi Yasuda who does not own any shares) to accept: (i) the Possible Offer upon it being made in respect of their entire holdings of Kalahari Shares; and (ii) the proposal to be offered by CGNPC-URC in relation to their entire holdings of Options (comprising, in aggregate

19,549,006 Kalahari Shares which represent approximately 7.3 per cent of the fully diluted share capital of Kalahari). The undertakings are subject to there being no Superior Proposal, prior to acceptance, on terms which represent an improvement of 5.0 per cent to the value of the consideration under the Possible Offer.

9. Pre-Conditions to the Possible Offer

CGNPC-URC has confirmed to the Kalahari Board that the announcement of a firm intention to make an offer under Rule 2.5 of the City Code would be subject to the satisfaction or waiver by CGNPC-URC of the following Pre-Conditions:

1. receipt of the following necessary PRC regulatory approvals:
 - (a) notification or approval for outbound investment from the State-Owned Assets Supervision & Administration Commission (SASAC) on behalf of the State Council;
 - (b) project approval for outbound investment from the National Development & Reform Commission of China (NDRC) on behalf of the State Council;
 - (c) approval for outbound investment from the Ministry of Commerce of China (MOFCOM);
and
 - (d) approval for the remittance of foreign exchange out of China from the State Administration of Foreign Exchange (SAFE) of China;
2. ASIC providing an exemption from the provisions of Chapter 6 of the Australian Corporations Act under section 655A of that Act to allow CGNPC-URC to acquire more than a 20 per cent relevant interest under that Act in Extract Shares in connection with the acquisition of Kalahari Shares in relation to the Possible Offer, including as a result of receiving irrevocable undertakings or conditional acceptances to accept the Possible Offer and providing such other relief as may be reasonably required by CGNPC-URC, subject to such conditions as are agreed by CGNPC-URC with ASIC, which may include a requirement for CGNPC-URC to make a downstream offer to Extract Shareholders on terms agreed by CGNPC-URC with ASIC ("**ASIC Relief**");
3. receipt of an unconditional notice from the Treasurer of Australia or FIRB to the effect that there is no objection to the acquisition of Kalahari Shares or Extract Shares by CGNPC-URC under Australia's foreign investments policy;
4. securing financing to the standards required by the City Code;
5.
 - (a) no official written notification by the Namibian Government of the withdrawal of any mining and/or exploration licences or the rejection of any mining and/or exploration licence applications or renewals which are material to the Wider Kalahari Group having been disclosed in writing to CGNPC-URC and/or Kalahari;
 - (b) in respect of Kalahari's current 42.79 per cent equity interest in Extract there being: (i) no merger, takeover or other transaction involving Extract which would result in Kalahari's current 42.79 per cent interest being materially diluted (a "**Material Dilution**"); (ii) Extract not having entered into any contracts or arrangements for the merger, takeover or other transaction which

would result in a Material Dilution which do not require Extract Shareholder approval; (iii) to the extent Extract enters into any contracts or arrangements that would result in a Material Dilution which do require Extract Shareholder approval, then Kalahari having voted against, or having made a public announcement stating it has lodged a proxy form (and does not intend to revoke the proxy or invoke the operation of section 249Y(3) of the Australian Corporations Act by attending the relevant meeting of Extract Shareholders in person) in which it has irrevocably appointed its proxy to vote against, any resolutions to obtain such Extract Shareholder approval;

(c) in respect of Extract's current direct or indirect interest in the Husab Uranium Project: (i) there being no material change in such current direct or indirect interest ("Material Change"); (ii) Extract not having entered into any contracts or arrangements for the sale or merger of such current direct or indirect interest that would result in a Material Change which do not require Extract Shareholder approval; (iii) to the extent Extract enters into any contracts or arrangements that would result in a Material Change which do require Extract Shareholder approval, then Kalahari having voted against, having made a public announcement stating it has lodged a proxy form (and does not intend to revoke the proxy or invoke the operation of section 249Y(3) of the Australian Corporations Act by attending the relevant meeting of Extract Shareholders in person) in which it has irrevocably appointed its proxy to vote against, any resolutions to obtain such Extract Shareholder approval.

CGNPC-URC reserves the right to waive any of these Pre-Conditions. Further, CGNPC-URC reserves the right, with the prior consent of the Panel, to waive any Pre-Condition and make such Pre-Condition a condition to a formal offer made in accordance with Rule 2.5 of the City Code. There can be no certainty that a firm offer will be made even if all Pre-Conditions are satisfied or waived.

10. ASIC Relief

CGNPC-URC intends to engage with ASIC prior to any Rule 2.5 Announcement, to confirm that any offer under Rule 2.5 of the City Code is in compliance with the Australian Corporations Act. CGNPC-URC will seek relief from ASIC to acquire a relevant interest in more than 20 per cent of Extract on a basis agreed between CGNPC-URC and ASIC.

If CGNPC-URC, following discussions with ASIC, proposes to make a downstream offer to Extract Shareholders, such downstream offer would be only likely to be made if the Possible Offer proceeded and became unconditional, and in any event even if the downstream offer were made it would be likely to be:

- subject to the Kalahari Possible Offer proceeding and becoming wholly unconditional;
- subject to usual defeating conditions including no prescribed occurrence taking place; and
- made with substantially equivalent effective benefits to those that are offered to Kalahari shareholders as contemplated under the Possible Offer.

11. Conditions to a formal offer announcement

It is intended that that any formal offer by CGNPC-URC for Kalahari would be subject to the usual terms and conditions applicable to a recommended offer for a UK public company. In addition, any such formal offer would also be subject to certain regulatory clearances and other conditions (which will be subject to ASIC Relief) including that Kalahari has not disposed of its shares in Extract during the formal offer period and Kalahari not having accepted in respect of the shares it

holds in Extract, in respect of any downstream tender offer for Extract, which may be triggered by a formal offer for Kalahari becoming unconditional as to acceptances.

12. Implementation Agreement

Kalahari has entered into the Implementation Agreement with CGNPC-URC, which sets out certain steps to be taken by both Kalahari and CGNPC-URC to effect the transaction. The Implementation Agreement contains obligations for each of Kalahari and CGNPC-URC to pay the other a break fee of £7.5 million (the "**Break Fee**") in the following circumstances.

Kalahari shall pay the Break Fee to CGNPC-URC if, prior to the date of the Rule 2.5 Announcement: (i) Kalahari notifies CGNPC-URC that it does not wish to proceed further with, or recommend, the Acquisition; (ii) the Kalahari Board publicly recommends or agrees to put to Kalahari Shareholders for consideration, an Independent Competing Proposal; (iii) there is a breach by Kalahari of certain of the conduct of business provisions; or (iv) there is a material breach by Kalahari of its non-solicitation and matching rights (as set out below).

In addition, Kalahari shall pay the Break Fee to CGNPC-URC if, on or after the date of the Rule 2.5 Announcement: (i) a majority of the Kalahari Board modifies its approval of the Acquisition or approve the announcement of an Independent Competing Proposal and the Acquisition subsequently lapses or is not made; (ii) the Acquisition lapses or is not made, and an Independent Competing Proposal that has been previously put to Kalahari subsequently becomes unconditional in all respects within six months following the end of the Offer Period; or (iii) there is a material breach by Kalahari of its non-solicitation and matching rights (as set out below).

Save as set out below, CGNPC-URC shall pay the Break Fee to Kalahari if, by 5.00 p.m. on 3 May 2011 (or such other date as may be agreed between CGNPC-URC and Kalahari), CGNPC-URC has (i) not satisfied or, if applicable, waived each of the Pre-Conditions set out in paragraph 9 above (other than Pre-Condition 5 and Pre-Conditions 2 and 3 in the circumstances described below); (ii) not released the Rule 2.5 Announcement; or (iii) inserted an offer price in the Rule 2.5 Announcement of less than 290 pence per Kalahari Share. In addition CGNPC-URC shall pay a Break Fee to Kalahari if the Offer Document is not sent to Kalahari Shareholders within 14 days of the Rule 2.5 Announcement or CGNPC-URC is in material breach of (i) certain of its obligations under the Implementation Agreement; or (ii) its obligations under Rule 31.8 of the Code to pay the consideration monies to the Kalahari Shareholders.

The Break Fee shall not be payable by CGNPC-URC in relation to Pre-Condition 2 if ASIC, the Australian Takeovers Panel or an Australian Court prohibit CGNPC-URC from making a formal offer when CGNPC-URC has agreed to make the downstream offer to all Extract Shareholders on terms such that those Extract Shareholders are offered substantially equivalent benefits to those that were offered to Kalahari Shareholders under the Possible Offer, nor will it be payable in relation to Pre-Condition 3 if CGNPC-URC has used all reasonable endeavours to satisfy such Pre-Condition.

Kalahari has also agreed that it shall terminate any discussions relating to an Independent Competing Proposal and shall not (and shall procure that no member of the Kalahari Group, nor any director, employee, agent or adviser of the Kalahari Group shall) solicit, enter into, continue or facilitate any discussions or correspondence with any other party relating to a potential offer for Kalahari or its business and/or assets.

In addition, Kalahari has agreed that if any subsequent Independent Competing Proposal constitutes a Superior Proposal, the Kalahari Board shall not recommend such Superior Proposal unless CGNPC-URC notifies Kalahari that it is not willing to make an offer or proposal which would provide equal or superior financial value to Kalahari Shareholders in comparison to the Superior

Proposal or CGNPC-URC does not, within 96 hours of receiving the Superior Proposal Notice, announce its firm intention to make a revised offer pursuant to Rule 2.5 of the Code.

From the date of the Implementation Agreement up to and including 3 May 2011 (or such other date as may be agreed between CGNPC-URC and Kalahari), Kalahari agrees that it will not make a 'put up or shut up' request to the Panel in respect of CGNPC-URC.

13. General

CGNPC-URC reserves the right to waive in whole or in part any of the Pre-Conditions to the making of an offer referred to above.

This announcement does not amount to a firm intention to make an offer under Rule 2.5 of the City Code. There can be no certainty that any offer for Kalahari will ultimately be made even if the above Pre-Conditions are satisfied or waived.

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This announcement has been prepared in accordance with English law, the City Code, the AIM Rules and the Disclosure and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Forward-Looking Statements

This announcement may contain "forward looking statements" concerning CGNPC-URC and Kalahari. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward looking statements. The forward looking statements involve risks and uncertainties that could cause actual results to differ materially from those suggested by them. Many of these risks and uncertainties relate to factors that are beyond the ability of CGNPC-URC and Kalahari to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement.

Neither CGNPC-URC nor Kalahari undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of CGNPC-URC, Kalahari or the Enlarged Group following completion of a formal offer unless otherwise stated.

Opening Position and Dealing Disclosure Requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication on websites

A copy of this announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on CGNPC-URC's website at www.cgnurc.com.cn and on Kalahari's website at www.kalahari-minerals.com.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the Code, Kalahari confirms that on 4 March 2011, being the latest practicable Business Day prior to the commencement of the Offer Period, it had 245,424,578 ordinary shares in issue all with equal voting rights. The total number of voting rights in Kalahari is therefore 245,424,578. The International Securities Identification Number for the Kalahari ordinary shares is GB00B117S132.

Please be aware that addresses and certain other information provided by Kalahari Shareholders, persons with information rights and other relevant persons for the receipt of communications from Kalahari may be provided to CGNPC-URC during the offer period as required under Section 4 of Appendix 4 of the Code.

APPENDIX I

BASES AND SOURCES OF INFORMATION

1. As at the close of business on 4 March 2011, being the last practicable Business Day prior to this announcement, there were 245,424,578 Kalahari Shares in issue, as has been confirmed by Kalahari. The International Securities Identification Number for Kalahari Shares is GB00B117S132.
2. Kalahari's fully diluted share capital (being 267,215,894 Kalahari Shares) is calculated upon the basis of:
 - (a) the current issued share capital of Kalahari as referred to in sub-paragraph 1 above; and
 - (b) a further 21,791,316 Kalahari Shares which may be issued on or after the date of this announcement, on exercise of the Options and Convertible Loan Notes, as has been confirmed by Kalahari.

3. The value of Kalahari's fully diluted share capital under the terms of the Possible Offer (also equal to the value of the Acquisition) is based on the Offer Price of 290 pence per Kalahari Share and fully diluted share capital of Kalahari as set out in sub-paragraph 2 above, less potential cash proceeds of £19,070,000 resulting from the issue of Kalahari Shares which may be issued on or after the date of this announcement.
4. The premium calculations are based on the Offer Price of 290 pence per Kalahari Share and have been calculated with reference to:
- (a) a price of 260.25 pence per Kalahari Share, being the Closing Price on 4 March 2011 provided by the Daily Official List;
- (b) a price of 239.75 pence per Kalahari Share, being the Closing Price on 18 February 2011 provided by the Daily Official List; and
- (c) a price of 209.7 pence per Kalahari Share, being the average Closing Price over the six month period from 6 September 2010 until 4 March 2011 (both dates inclusive), derived from data provided by Datastream.
5. Kalahari's 42.79 per cent holding in Extract is based upon the Form 604 published on 2 March 2011.
6. Kalahari's 44.7 per cent holding in North River Resources plc is based upon details provided in Kalahari's annual report and financial statements for the year ended 31 December 2009.

APPENDIX II

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

Acquisition	means the general offer (if made) by CGNPC-URC for the entire issued and to be issued share capital of Kalahari to be implemented by means of the Possible Offer;
AIM	means AIM, a market operated by the London Stock Exchange;
AIM Rules	means the AIM Rules for Companies as published by the London Stock Exchange (as amended);
Ambrian	means Ambrian Partners Limited;
ASIC	means the Australian Securities and Investments Commission;
ASIC Relief	has the meaning given in paragraph 9 (<i>Pre-Conditions to the Possible Offer</i>) of this announcement;
ASX	means the Australian Securities Exchange;
Australian Corporations Act	means the Australian Corporations Act 2001 (Cth);
Break Fee	means a break fee of £7.5 million payable by each of CGNPC-URC or Kalahari to the other as set out in paragraph 12 of this announcement;
Business Day	means a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London and Australia are open for normal business;

CGNPC	means China Guangdong Nuclear Power Holding Corporation;
CGNPC-URC	means CGNPC Uranium Resources Co., Ltd.;
CGNPC-URC Board	means the board of directors of CGNPC-URC at the date of this announcement;
City Code or Code	means the City Code on Takeovers and Mergers in the United Kingdom;
Closing Price	means the closing middle market price of a Kalahari Share as derived from the Daily Official List;
Companies Act	means the Companies Act 2006 (as amended);
Convertible Loan Note Instrument	means the loan note instrument executed by Kalahari on 8 September 2009;
Convertible Loan Notes	means the outstanding secured interest-bearing convertible loan notes in issue by Kalahari under the Convertible Loan Note Instrument;
Daily Official List	means the daily official list of the London Stock Exchange;
Dealing Disclosure	means a disclosure made pursuant to Rule 8 of the Code;
Deutsche Bank Disclosed	means Deutsche Bank AG, London Branch (and its affiliates); means all such documentation and information relating to the Kalahari Group that has been made available for inspection by CGNPC-URC in a virtual data room including all information provided by Kalahari to CGNPC-URC and its advisers in response to due diligence enquiries as agreed between the parties;
Enlarged Group	means the combined Wider Kalahari Group and Wider CGNPC-URC Group from the date on which the Possible Offer becomes or is declared unconditional as to acceptances;
Extract	means Extract Resources Limited;
Extract Bid	means an off-market takeover offer that may be required by the ASIC Relief to be made by CGNPC-URC for all Extract Shares under Chapter 6 of the Australian Corporations Act subject to certain conditions;
Extract Offer	means the offer that may be required by the ASIC Relief to be made by CGNPC-URC to all Extract Shareholders to acquire all the Extract Shares under the Extract Bid;
Extract Shareholder	means a person who is registered in the share register of Extract as a holder of Extract Shares;
Extract Shares	means the shares in the capital of Extract;
FIRB	means the Foreign Investment Review Board of Australia;
FSA	means the Financial Services Authority;
Husab Uranium Project	means the uranium deposit located approximately 45 kilometres northeast of Namibia's main port, Walvis Bay, in respect of which Extract or any subsidiary undertaking of Extract has had granted to it by the Namibian Government certain exclusive mining and/or exploration licences;
Implementation Agreement	means the agreement entered into by CGNPC-URC and Kalahari on or shortly before the date of this announcement which records each party's respective obligations to co-operate in order to enable CGNPC-URC to release the Rule 2.5 Announcement and effect the Acquisition;
Independent Competing Proposal	means a proposal, offer, tender offer, merger, acquisition, scheme of arrangement, recapitalisation or other combination or transaction (whether or not subject to any preconditions) (including a transaction involving a dual listed company)

	structure) relating to any direct or indirect acquisition or purchase of 20 per cent or more of the issued or to be issued ordinary shares of Kalahari or Extract (other than pursuant to any Extract Offer), or the whole or part of the business and/or assets of each of Kalahari (other than pursuant to the disposal of North River Resources plc) or Extract or any other of Kalahari's subsidiaries proposed by any party, which is not an associate of or acting in concert with CGNPC-URC; means Kalahari Minerals plc;
Kalahari or the Company	
Kalahari Board	means the board of directors of Kalahari at the date of this announcement;
Kalahari Group	means Kalahari and its subsidiary undertakings;
Kalahari Shareholder	means a holder of Kalahari Shares;
Kalahari Shares	means the ordinary shares of 1 pence each in the capital of Kalahari;
London Stock Exchange	means London Stock Exchange plc;
Material Change	has the meaning given in paragraph 9 (<i>Pre-Conditions to the Possible Offer</i>) of this announcement;
Material Dilution	has the meaning given in paragraph 9 (<i>Pre-Conditions to the Possible Offer</i>) of this announcement;
NSX	means the Namibian Stock Exchange;
Offer Document	means the document to be sent to Kalahari Shareholders following the date of this announcement containing, amongst other things, the terms and conditions of the Possible Offer and certain information about CGNPC-URC and CGNPC;
Offer Period	means the period commencing on (and including) 7 March 2011 and ending on the date on which the Possible Offer becomes or is declared unconditional as to acceptances or lapses;
Offer Price	means 290 pence in cash per Kalahari Share;
Opening Position Disclosure	means an opening position disclosure made pursuant to Rule 8 of the Code;
Option Agreements	means the individual unapproved option agreements entered into by Kalahari and each of the Option Holders;
Option Holders	means certain employees and directors of Kalahari who entered into the Option Agreements;
Option Offer	means the cash offer CGNPC-URC will make to purchase all of the outstanding Kalahari Options in issue subject to and in accordance with the provisions of Rule 15 of the City Code;
Options	means the options granted to certain directors and employees of Kalahari to acquire Kalahari Shares in accordance with the Option Agreements;
Panel	means the Panel on Takeovers and Mergers;
Possible Offer or Offer	means the recommended cash offer which is intended to be made by CGNPC-URC at the Offer Price, subject to the satisfaction of waiver of the Pre-Conditions, for the entire issued and to be issued ordinary share capital of Kalahari, and where the context requires, any revision, extension, variation or renewal thereof;
Pounds, pence or £	means the lawful currency of the United Kingdom;
PRC or China	means the People's Republic of China;
Pre-Conditions	means the conditions to the release of a Rule 2.5 Announcement

	as set out paragraph 9 of this announcement;
Registrar of Companies	means the Registrar of Companies for England and Wales;
Regulatory Information Service	means one of the regulatory information services authorised by the Financial Services Authority to receive, process and disseminate regulatory information from listed companies and companies with shares admitted to trading on AIM;
Restricted Jurisdiction	means the United States of America, Canada, Australia, Japan and any other jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which CGNPC-URC regards as unduly onerous;
Rule 2.5 Announcement	means the proposed announcement of a firm intention to make an offer for Kalahari by CGNPC-URC in accordance with Rule 2.5 of the City Code;
subsidiary	means has the meaning ascribed to it in Section 1159 of the Companies Act;
subsidiary undertaking	means has the meaning ascribed to it in Section 1162 of the Companies Act;
Superior Proposal	means a bona fide Independent Competing Proposal which the Kalahari Board considers, acting reasonably and in good faith and after consultation with its legal and financial advisers, is likely to be completed in accordance with its terms taking into account all financial, regulatory and other aspects of such proposal (including the ability of the proposing party to consummate the transactions contemplated by such proposal) and which at the time of announcement would be more favourable to Kalahari Shareholders than the Acquisition, and which the Kalahari Board is therefore minded to recommend instead of the Acquisition or will put to Kalahari Shareholders for consideration even if not recommended;
TSX	means the Toronto Stock Exchange;
UK or United Kingdom	means the United Kingdom of Great Britain and Northern Ireland;
US or United States	means the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;
Wider CGNPC-URC Group	means CGNPC-URC or associated undertakings (including any company of which 20 per cent or more of the voting capital is held by CGNPC-URC, or any of its subsidiary undertakings, or any partnership, joint venture, firm or company in which any of them may be interested); and
Wider Kalahari Group	means Kalahari or associated undertakings (including any company of which 20 per cent or more of the voting capital is held by Kalahari, or any of its subsidiary undertakings, or any partnership, joint venture, firm or company in which any of them may be interested), including for the avoidance of doubt Extract, the subsidiary undertakings of Extract and North River Resources plc.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement. All references to time in this announcement are to London time unless otherwise stated.

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