

ASX Announcement

For Immediate Release

30 August 2012

MCM Entertainment Group Limited (ASX: MEG) Delisting Request

Following a review of the costs and benefits of retaining the Company's listing on the Australian Securities Exchange (ASX), MCM Entertainment Group Limited (ASX Code: MEG) has requested and received approval to be removed from the ASX official list under listing Rule 17.11.

The Board considered a number of factors in reaching its decision to seek approval from ASX to delist, including:

- (a) A disproportionate impact on share price:** As only a small number of MEG's shares are being traded, this has on occasion had a disproportionate impact on the share price and has created considerable volatility;
- (b) Listing and related costs:** Maintaining a stock exchange listing adds significant direct costs to the Company's business. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be directed elsewhere;
- (c) Lack of liquidity:** MEG currently has three substantial members controlling 50,015,703 shares (68.99%) with the remaining members holding 22,483,594 Shares (31.01%). Furthermore, 91.28% of MEG's shares are held by the Top 20 members. As a result of this lack of liquidity, there has been minimal trading in the Company's Shares on the ASX; and
- (d) The need for future capital raising:** The Company has no proposals to raise further capital on the ASX.

The ASX has approved the request subject to the following conditions:

1. The request for removal from the official list of ASX is approved by an ordinary resolution of ordinary shareholders of MEG;
2. The Notice of General Meeting seeking shareholder approval to request the removal of the Company from the official list must include a statement to the effect that the removal will take place no earlier than one month after the approval is granted; and
3. MEG release the full terms of this decision to the market immediately upon the Company's directors resolving to seek removal of MEG from the official list of ASX.

MEG will table the resolution for shareholders at the Company's Annual General Meeting, expected to be held in November 2012, and provide further details setting out the remaining steps of delisting in the explanatory memorandum.

For further information:

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