



21 September 2012

SHAREHOLDER UPDATE

Echo Resources Limited ("Company") provides the following update to shareholders.

Notice of General Meeting

Shareholders are advised of a General Meeting to be held on Tuesday 23 October 2012 to address resolutions concerning the composition of the Board of the Company and its corporate governance for the future. The Notice of General Meeting has been mailed to shareholders and a copy lodged with the ASX. Shareholders are encouraged to read in detail the Explanatory Statement accompanying the Notice of Meeting and to cast their vote either in person or by proxy.

Deferral of Capital Raising

The Board advised in the shareholder update of 27 July 2012 that it had resolved to raise additional funds by way of a 3 for 5 rights issue to enable the Company to implement a drilling program before the end of 2012.

In view of the continuing uncertainty in relation to the composition of the Board, the refusal of Dr Kohler to provide information to the Board in relation to potential drilling programs or data for an alternative program to be properly constructed, and the sentiment of current markets, the Board has concluded that it would be prudent to defer the foreshadowed capital raising until further notice.

Commencement of Proceedings against Dr Kohler

The Company advises that it has initiated immediate legal proceedings against Dr Kohler to compel the return of all of the Company's proprietary information, physical property and intellectual property, as Dr Kohler refuses to provide this to the Board. The Company reserves all of its rights in relation to damages that it has suffered as a result of Dr Kohler's actions.

The Company will keep the market informed of future developments.

For more information, please contact:

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