

6 August 2012

## SALE OF UNMARKETABLE PARCELS OF SHARES

The Board of Xceed Resources Limited (**Xceed** or **Company**) (**ASX: XCD**) is pleased to announce that, as part of a capital management program, it has established a sale facility for unmarketable parcels of Xceed shares.

An unmarketable parcel is a parcel of shares valued at less than \$500 as at the close of trade on 3 August 2012 (**Record Date**).

The Company currently has 1,739 shareholders of which 1,100 hold less than a marketable parcel. Those holdings, which total 1,092,796 shares, represent 0.95% of the Company's total issued shares.

Those shareholders which hold an unmarketable parcel of shares will be sent a notice advising them of this fact (**Notice**).

Unless those shareholders who receive a Notice advise the Company's share registry by 5:00pm (WST) on 18 September 2012 that they want to retain their shares, their shares will be sold and they will be sent the sale proceeds.

The Directors have negotiated and agreed with institutional investor, and current Xceed shareholder, Fleming SG Capital Special Opportunities Pty Ltd (**Fleming SG**), that Fleming SG will commit to the purchase of the shares at the average closing price on ASX over the 10 trading days prior to the date on which the offer for the unmarketable parcels of shares is received by the Company. A commitment fee of 5% will be paid to Fleming SG

The unmarketable parcel facility is being established in accordance with the Company's constitution and the ASX Listing Rules.

**If you receive a Notice and want to sell your shares under the unmarketable parcel facility – you do not need to do anything.** Your shares will be sold on your behalf by Xceed after 18 September 2012. **You will not need to appoint a broker or pay the brokerage and handling costs associated with the sale of shares under the unmarketable parcel facility.** Any tax consequences from the sale of your shares will be your responsibility.

If you receive a Notice and you wish to retain your Shares - you must return the Notice of Retention Form which will be enclosed with the Notice. The Notice of Retention Form must be returned so that it is received by 5:00pm (WST) on 18 September 2012. The unmarketable parcel facility will be open until this date.

**Chairman:** Patrick O'Connor  
**Managing Director:** Ian Culbert  
**Finance Director:** Stephen Belben  
**Company Secretary:** Fiona Taylor

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*Xceed Resources Limited is an Australian based public company engaged in the acquisition of mineral projects in Southern Africa. The company's primary focus is the development of coal projects located within South Africa's premier coal fields, which are supported by established infrastructure and are readily capable of reaching their markets.*

*The company's first project is the Moabsvelden thermal coal project situated in the Witbank coal field. Subject to regulatory approval, Moabsvelden is expected to have a mine life in excess of 14 years with the potential to produce export quality as well as domestic quality thermal coal from an open-cast, low strip mine.*

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Further information as to the progress of the unmarketable parcel facility will be released in the coming weeks.

Yours faithfully  
Xceed Resources Limited

**Fiona Taylor**  
**Company Secretary**

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