

20th October 2008

The Manager  
Company Announcements Office  
Australian Securities Exchange Ltd

### **Reefton Royalty Update**

Further to the Company's "Royalty Update" news release on 17 June 2008, Royalco is pleased to announce that a mutually agreeable settlement, subject to regulatory approval, has been reached in regard to the Reefton royalty with Oceana Gold (New Zealand) Ltd.

Under the terms of the agreement, the current litigation before the High Court of New Zealand will be withdrawn. Royalco anticipates receiving the royalty for the September quarter 2008 in mid November 2008. Furthermore, additional gold representing 64 ounces per quarter will be added to the relevant royalty payments for the subsequent six quarters as well as a one off payment of 500 ounces being due by October 2012.



Peter Topham  
Executive Chairman