brockman resources.

12 MAY 2011

SHAREHOLDER UPDATE – WAH NAM TAKEOVER OFFER

Dear Shareholder

I would like to take this opportunity to update you on some recent developments in relation to Brockman Resources and the current takeover offer from Wah Nam.

Status of the Wah Nam offer

As announced by Wah Nam International Holdings (ASX: WNI – "Wah Nam") on Friday 6 May, Wah Nam declared its offer for Brockman shares free from all defeating conditions outlined in its Bidder's Statement.

As at the date of this letter, Wah Nam had publicly advised that it had received acceptances for its offer bringing its holding in Brockman to 45.39 % of the total Brockman shares on issue. Wah Nam's offer is now scheduled to close on Monday 16 May 2011 at 4pm WST (subject to any further extensions by Wah Nam.

The Brockman Directors' recommendation

The Brockman Directors continue to unanimously recommend that Shareholders **DO NOT ACCEPT** the Wah Nam takeover offer and disregard all documents you receive from Wah Nam. The Brockman Directors do not currently intend to accept the Wah Nam offer as proposed, in respect of their personal holdings in Brockman.

The Brockman Directors' reasons for their recommendation were set out in detail in an ASX release of 8 May 2011. In summary, these reasons are:

- **The Wah Nam offer undervalues Brockman shares** – The implied value of the offer represents only a 11% premium to Brockman's closing share price on 11 May and is only a 10% premium to the price of Brockman shares immediately prior to the announcement of Wah Nam's offer in November 2010. Recent broker reports have recommended Brockman as a "buy" at price targets of $6.30 (Investec) and $6.49 (Patersons)
- **Brockman has significant concerns about the underlying value of Wah Nam shares** being offered to Brockman shareholders based upon their intrinsic valuation and the potential for further dilution of Brockman shareholder's interests in the event that Wah Nam's offer for FerrAus is also completed. Wah Nam operates a limousine and airport shuttle business and a copper mine in China that is not generating a profit.
- **Low liquidity in the trading of Wah Nam shares** both on the ASX and Hong Kong Stock Exchange will limit the ability of Brockman shareholders to realise the value of Wah Nam shares they will receive if they accept Wah Nam's offer.
- **Wah Nam has not demonstrated any ability or plan to source project development funding or to provide a complete infrastructure solution.** Wah Nam has no Australian mining or processing experience of any note.
- **Brockman has serious concerns with regard to the pattern of recent trading activity in Brockman shares and acceptances of Wah Nam's offer -** Brockman is continuing to investigate these matters and the requirement for further regulatory action, including seeking an ASIC investigation. This has also been the subject of recent reports in the media. In the event that breaches are found, relevant regulators have a broad range of powers including the ability to seek or impose orders requiring divestments of improperly obtained

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stakes. There can be no guarantee that such an outcome will occur, and shareholders are cautioned that this is only a possible outcome in the event that breaches are established.

- **Of the acceptances to date, the majority of those acceptances have originated from off-shore investors located in Hong Kong or Singapore.** Acceptances by Brockman shareholders with registered addresses in Australia and New Zealand account for only 0.12% of the total Brockman shares on issue. Australian shareholders are not finding the Wah Nam offer attractive.

The full 8 May 2011 ASX release can be viewed at www.brockman.com.au

Your choices as a Brockman shareholder

Option 1: Do not accept the Wah Nam offer and do nothing – If you do nothing in response to the Wah Nam offer you will remain a minority shareholder in Brockman, with Wah Nam as the major controlling shareholder in Brockman. See below for further information relevant to your decision whether to remain a Brockman shareholder.

Option 2: Do not accept the Wah Nam offer and sell your Brockman shares on-market – You may form the view that you would prefer to receive cash for your Brockman shares by selling your Brockman shares on-market rather than accepting Wah Nam shares in exchange for your Brockman shares. You should consider the capital gains tax consequences for you if you sell your Brockman shares on market. Independent tax advice should be sought in relation to these tax consequences.

Option 3: Accept the Wah Nam offer in respect of your Brockman shares – Alternatively, you may accept the Wah Nam offer in respect of your Brockman shares. Based on prevailing terms, shareholders stand to receive 30 Wah Nam shares for every Brockman share, representing a value per Brockman share of A$5.25 – as of 11 May 2011. Shareholders would need to consider the advantages/disadvantages of becoming a shareholder in Wah Nam, and the associated risks of realising value in selling on-market. Shareholders will also be required to choose between ASX and HK-listed scrip. If you are an Australian resident shareholder, you may be liable to pay capital gains tax on the disposal of your Brockman shares to Wah Nam unless Wah Nam obtains an interest in Brockman of 80% or more as a result of its takeover. Your Directors do not recommend accepting the current Wah Nam offer for the reasons discussed above.

In choosing which course of action to take, shareholders should consider the benefit and risks of remaining as a minority shareholder in Brockman or selling Brockman shares on market as compared to the benefits and risks of accepting Wah Nam's offer.

What happens if I do not accept the offer and do nothing?

If you do nothing in response to the Wah Nam offer and retain your Brockman shares, your shares will remain tradeable on ASX, subject to Wah Nam seeking to de-list Brockman from the ASX, which Wah Nam has indicated would not occur until Wah Nam holds 90% or greater of Brockman. It should be noted that Brockman's Directors currently hold greater than 10 % of Brockman's registered shares. The Brockman Directors do not currently intend to accept the Wah Nam offer as proposed, in respect of their personal holdings in Brockman, thereby preventing Wah Nam from reaching 90%.

Notwithstanding Wah Nam's offer, the development of the Marillana Project and all associated design, approvals and infrastructure development plans have progressed significantly. The Brockman team has worked diligently towards its development timeline and project deliverables. This has included the progression of the Front End Engineering Design work, the correlation and assessment of mining, processing, logistics and financing details for the Bankable Feasibility Study, and receipt of the final State Approvals for Marillana's environmental development plans.

There are a number of significant and successful ASX listed companies that are listed with majority shareholder corporate structures. These include resources companies such as Coal and Allied, ERA, Iron Ore Holdings and Minara Resources, to name but a few.

However, shareholders who continue to hold their shares in Brockman should be aware that in the event that Wah Nam increases its shareholding in Brockman to greater than 50%, you will remain a minority shareholder in Brockman. Wah Nam will be in a position to control the composition of the Brockman board and to thereby control the operations and strategies of Brockman, subject to the Corporations Act and the ASX Listing Rules. The ASX Corporate Governance Principles require that a majority of directors on the Boards of listed companies are independent. The Brockman Board continues to maintain that this position should be reflected at all times while Brockman remains listed on ASX.

Additionally, in the event that Wah Nam obtains acceptances taking its relevant interest to 90% of Brockman it will be able to compulsorily acquire the remaining 10% of Brockman shares on issue for the same consideration as under its offer.

We thank you again for your support as a Brockman shareholder. If you have any questions in relation to the Wah Nam offer, please call the Brockman shareholder information line on 1300 134 857 (for calls made from within Australia) or + 61 3 9415 4216 (for calls made from outside Australia).

Yours sincerely

Barry Cusack
Non-Executive Chairman