



ASF GROUP LIMITED

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6 May 2011

The Manager
Company Announcements
Australian Stock Exchange Ltd
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Madam/Sir

**TERMINATION OF SHARE SUBSCRIPTION AGREEMENT WITH YONGBIN
\$1.5M DEPOSIT FORFEITED**

We refer to the announcements of ASF Group Limited (the "Company") dated 6 December 2010 and 7 March 2011 concerning a Share Subscription Agreement (the "Agreement") with Yongbin International Holdings Limited ("Yongbin") whereby Yongbin was to subscribe A\$6 million for a 20% interest in ASF Resources Limited ("ASFR").

Pursuant to the terms of the Agreement, as amended, Yongbin paid a non refundable deposit of A\$1.5 million with the balance of the subscription money being due by 21 April 2011.

The Company has not received the balance of the subscription monies in full from Yongbin and, under the terms of the Agreement, the Agreement has ended and the non refundable deposit of A\$1.5 million has been forfeited.

Notwithstanding this termination, the Company is still in negotiation with Yongbin for its possible investment in ASFR or for possible co-operation opportunities in the Company's resource activities.

For further information contact:

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