



ASF GROUP LIMITED

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

Dear Madam/Sir

Deferral of ASFR Demerger

We refer to the announcement of ASF Group Limited (the "**Company**") dated 9 September 2011 in which the Company announced the \$16 million capital injection by Beijing Guoli Energy Investment Co., Ltd. ("**Guoli**") and the contemplated *in specie* distribution of shares in ASF Resources Ltd ("**ASFR**").

Pursuant to the agreement with Guoli, the Company was to demerge ASFR by distributing 80% or more of its shareholding in ASFR to the Company's shareholder within 12 months after completion ("**Demerger**"). In this respect, it had been the Company's intention to seek shareholders' approval on the proposed Demerger at the forthcoming Annual General Meeting ("**AGM**") to be held on 30 November 2012.

As part of the Demerger the parties were to consider an IPO of ASFR on the Australian Stock Exchange. However due to the uncertain economic circumstances and the current weakness in the capital markets the Company is in discussion with Guoli to consider that the time period for the Demerger be extended by six months.

Additional announcements will be made in relation to the Demerger when there are further developments including finalisation of the Demerger time period extension.

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