14 May 2007

Placement and Share Purchase Plan

Sipa Resources Limited ('Sipa') is pleased to announce a share placement of 20 million ordinary shares at 10.5 cents each to raise $2.1 million before expenses. The placement which is made to clients of Southern Cross Equities Limited at an issue price of $0.105 represents a discount of 14.1% on the 5 day weighted average price of 12.2 cents for the period 7 May to 11 May 2007. The placement is managed by Southern Cross Equities Limited.

Sipa also advises the implementation of a Share Purchase Plan ('SPP'). This will enable all eligible shareholders, irrespective of the number of shares held in the Company, the opportunity to purchase up to $5,000 worth of shares direct from the Company free of all brokerage or other associated costs.

The issue price for each Sipa Share issued under the SPP has also been set at 10.5 cents, which is approximately 85.9% of the average market price, as defined in the Listing Rules of the Australian Securities Exchange Limited ("the ASX") of existing fully paid ordinary shares in Sipa quoted on the ASX during the 5 trading days immediately prior to the announcement of this offer.

The funds received in the SPP will be capped at $2 million. If acceptances exceed $2 million they will be scaled back on a pro-rata basis. The Directors reserve the right place any shortfall to sophisticated investors.

Sipa

The SPP will offer shareholders recorded on the register of members at 21 May 2007 ('the Record Date') with registered addresses in Australia and New Zealand, the opportunity to acquire parcels of $1,000, $3,000 or $5,000 worth of fully paid ordinary shares, ranking equally with existing fully paid ordinary shares.

The proceeds of the plan will assist in financing the Company's very active and exciting exploration programmes, focused principally on finding 'world class' Gold and Base Metal orebodies, and working capital.

The offer will be non-renounceable.

KEY DATES AND FURTHER INFORMATION

Announcement of the offer	14 May
Record date	21 May
Dispatch of offer letters	24 May
Offer closes	22 June
Issue of shares	27 June
Quotation	29 June

Details of how to participate in the SPP will be forwarded to eligible shareholders in the near future.

For further information:

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