

RKS CONSOLIDATED LIMITED

Level 10, 77 King Street

Sydney NSW 2000 Australia

T +61 9186 6100 F +61 9186 6110

1st August 2012

Private & Confidential

The Company Announcements Platform

ASX Limited

Company Announcements Office

Perth WA 6000

MARKET UPDATE

The Board of RKS Consolidated Limited ACN 009 264 699 ("RKS" or the "Company") would like to inform the market that its proposed transaction to acquire Scott Creek Coal Pty Limited ("SCC") announced on 30 August 2011 is no longer to proceed.

RKS Spent significant time and substantial capital trying to complete the transaction which went through a minimum of nine legal revisions.

SCC chose to undertake a transaction with another entity without prior notification to RKS

The RKS Board will keep the market informed of any developments with respect of its return to trading on the ASX.

Kind regards

A handwritten signature in black ink, appearing to read 'Delan Pagliaccio', is written over a circular stamp. The signature is fluid and cursive.

Delan Pagliaccio

Director