AUSTRALIS

Company Announcements Office
Australian Stock Exchange Limited

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In relation to the Article published in the Australian Financial Review on the 3/01/2008 titled "Nothing in the stocking from Australis" the Company wishes to make the following statement of facts to clarify any misconceptions that would arise from the article published and the true facts which are public knowledge and readily available through Mr. Robert Elliott's Reports to creditors.

The article states;

"Hall Chadwick's Robert Elliott explained the prospect of creditors eventually receiving 100c in the dollar warranted the leniency, especially as Australis's shell is probably worth only $650,000 and its equipment (lying dormant in Queensland) is pretty much worthless.
Whether creditors will welcome Elliott's seeming boundless patience with Australis is doubtful.
It took months of broken promises before Australis coughed up the first $500,000 of the total $5 Million owed, and Christianos's track record leaves a lot to be desired."

The article in its entirety does not state all the actual facts relating to the Company. The facts are as published in Mr. Elliott's report to creditors which was released to the market on the 27 December 2007 that total amount owing to Creditors of Australis is $5,414,152 of which $767,153 is owed directly to Nikiticorp and $3,719,080 is owed to associates of Nikiticorp, these amounts are amounts that Nikiticorp and its associates had agreed to subordinate under the DOCA. The balance of $927,919 is owed to external creditors. In the event that Nikiticorp and its associates do not subordinate their debts and only limited realizations are received from the sale of the Company shell and the equipment and mining leases in Queensland, the Creditors of $5,414,152, Creditors could expect less than 10 cents in the $1.

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In reference to Mr. Christianos the Company thanks Mr. Christianos for committing great personal time, effort and funds on behalf of the Company and continuing to work hard on behalf of Nikiticorp and Australis to ensure that the objectives of the non related Creditors of Australis receiving 100cents in the dollar are achieved and that the long term interests of all Shareholders of the Company are protected.

The Directors of Australis are committed to submitting a proposal to Creditors before the end of January 2008 which they expect will result in non-related Creditors receiving 100 cents in the $ (As contemplated in the original Deed of Company Arrangement) and Australis being reconstructed for the benefit of the related Creditors and the Shareholders of Australis.

The current negotiations are at a sensitive stage and are "Commercial in Confidence", the Directors of Australis look forward to fully informing the market once these negotiations have been completed.

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