ARTURUS CAPITAL

3 June 2010

ASX Announcement

MARKET UPDATE

Arturus Capital Limited (ASX: **AKW** "the Company") is pleased to provide the market with a detailed update in respect to current activities and financing moving forward.

Caledonian Assets

On 24 March 2010 Arturus Energy LLC entered into an agreement to lease 8800 acres in the prolific Permian Basin (TEXAS). The leases are located in the Permian Basin in the Reagan and Irion Counties in Texas. The Permian Basin is one of the most prolific producing oil and gas regions in the United States. It underlies an area of Southeastern New Mexico and West Texas approximately 250 miles wide and 300 miles long.

Commercial accumulations of hydrocarbons occur in multiple stratigraphic horizons, at depths ranging from approximately 1,000 feet to over 25,000 feet. This basin is characterized by long life shallow decline reserves. This transaction was settled in May via financing from a small European capital provider. The Commodity Reserves are as follows:

Oil (1P) 4,358 (MBBL) Gas (1P) 11,542 (MMCF)*

*Joe C Neal & Associates, Petroleum and Environmental Engineering Consultants, Report dated 11 March 2010.

The Board is also pleased to advise that a comprehensive drilling program is currently being prepared. It is expected that multiple wells will be drilled in the second half of 2010. Whilst the Company is unable to advise as to the cost of the drilling programme, it is estimated that it may be in the vicinity of $2 million.

The Company also wishes to advise that it has received renewed strong interest from both capital providers and industry participants due to the current offshore drilling ban in North America. Both Majors and Mid Cap companies are looking now onshore for new reserves to offset long expected delays in new permitting particularly in the Gulf of Mexico.

Modena Transaction

AKW confirms receipt of the issue of shares in part completion of the Blackgate transaction with Modena Resources Limited (MDA) the remaining portion of this transaction is experiencing delays relating to the chapter 11 process, AKW expects the transaction to proceed as advised to the market. Modena Resources has taken the main part of the transaction through chapter 11 and is expected to commence production this month. The board of AKW is very excited and confident to remain a major shareholder of MDA.

Funding

Further to the announcement of the 26 May 2010 the Company intends to proceed with a non-renounceable entitlement issue to all shareholders. The proposed entitlement issue will offer shareholders one new share and one free attaching option for every share held at the record date (to be advised) ("Entitlement Issue"). The new shares under the Entitlement Issue will be offered at $0.10 per new share with the free options exercisable at $0.15 each expiring on the 30 June 2013.

The Company intends to apply the funds raised from the entitlement issue towards repayment of creditors and for general working capital purposes. Some of the funds allocated to working capital may be applied to future investments and some to expenditure on a drilling programme in respect of the Caledonian Assets.

The Company also wishes to offer all note holders the right to convert on the same basis as the rights entitlement (subject to any necessary shareholder approvals). The proposal to note holders will be to convert the note plus accrued interest into new shares @ $0.10 each and receive one free option exercisable @ $0.15 each expiring on the 30th June 2013. The Company has agreed in principle for the issue to be fully underwritten, the terms of which are being finalised and further announcements are expected shortly.

Additionally the Company has appointed Jay Stephenson as Company Secretary with immediate effect following the resignation of Mr J Story.

Andrew Waller
DIRECTOR

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