ASX Announcement ***19 August 2011***

UPDATE ON LEGAL PROCEEDINGS AGAINST CMI LIMITED AND OTHERS

Trojan Equity Limited (**TJN**) wishes to advise that yesterday, the Supreme Court of Queensland granted an injunction restraining CMI Limited (**CMI**) from paying the legal costs of the personal representatives of CMI's former managing director Raymond David Catelan (deceased), and CMI's remaining directors, Colin Ryan, Danny Herceg or Richard Catelan in relation to these proceedings.

TJN will file and serve its Statement of Claim by 23 August 2011.

The Respondents then have until 20 September 2011 to file and serve their Defences.

TJN will then have until 27 September 2011 to file and serve any Replies.

The Supreme Court will make further directions on 3 October 2011.

TJN will continue to keep the market informed of progress.

TJN holds 3,028,000 CMI Class A shares and this investment now represents over 50% of TJN's net assets. A successful outcome in these legal proceedings may have a material positive impact on the value of TJN's investment in CMI.

For further information, please contact Troy Harry, Managing Director, on 07 3121 5666 or *info@trojanequity.com.au.*

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