ASX ANNOUNCEMENT

22 May 2014 ASX: RGX

ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Completion of Placement

Red Gum Resources Limited ("Red Gum" or "the Company" ASX: RGX) is pleased to announce that it has successfully raised approximately $1.2 million (gross) through the placement of 200 million new shares ("New Shares") to institutions and sophisticated/professional investors ("Placement"). The Placement was undertaken by DJ Carmichael Pty Limited.

The Placement was priced at $0.006 per share, a 3.4% premium to the 5-day VWAP, and was supported by new and existing Red Gum shareholders. The New Shares will be issued in accordance with shareholder approval granted at the EGM held on 28 April 2014.

The New Shares will rank equally with existing shares from allotment. Settlement is expected to take place on Monday 26 May 2014.

The funds will be used for working capital and the identification of new corporate opportunities, consistent with the Company's mission, announced in its Prospectus dated April 2014, as it seeks to regrow shareholder value.

Chairman Dr Ray Shaw said it was gratifying that the recent actions of the Board, including its cost-cutting measures, capital raisings to strengthen its cash position, and negotiations for new business opportunities had already reaped meaningful benefits for Shareholders, with this placement being successfully completed at double the price of the March 2014 Renounceable Rights Issue.

Dr Shaw commented "These additional funds place us in a strong position as the Board continues negotiations to introduce new opportunities".

*** Ends***

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