

BERKLEE LIMITED

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MANUFACTURERS OF AUTOMOTIVE EXHAUST SYSTEMS AND PARTS

23 August 2012

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

**BERKLEE LIMITED (ASX CODE: BER)
Notification of a possible transaction**

Berklee is in discussions with certain parties in relation to a possible transaction which may lead to an offer for all of the shares in the Company or which may result in an alternative transaction.

The Board has appointed a sub-committee to review and negotiate with the interested parties and expect to conclude those discussions over the next two to three weeks. In the meantime it is recommended that shareholders wait until a further announcement is made before deciding to trade in the Company's shares.

At this stage we are not in a position to provide any further meaningful details or to comment on the probability of the successful outcome of these discussions.

Signed

A handwritten signature in blue ink, appearing to be 'A. Beckett', followed by a horizontal line.

Alan Beckett
Chairman