



ALBIDON LIMITED

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6 March 2009

NOTICE OF DEFAULT

Albidon Limited advises that its wholly owned subsidiary, Albidon Zambia Limited, has today received notice of default from the senior lenders to the Munali Nickel Project. The default has arisen because the Munali Nickel Project has been placed on care and maintenance.

The senior lenders have advised that they are reserving their rights and may exercise their security rights at any time and without further notice.

Due diligence by Jinchuan Group Limited ("Jinchuan") and discussions with senior lenders are continuing as the company works to secure a funding arrangement suitable to all parties to allow the idling of the project during the current low nickel prices and preparation for a return to production at some time in the future.

The Company's viability remains subject to the completion of the transaction with Jinchuan announced on 3 March 2009.

CONTACTS

If you have any queries please contact Alasdair Cooke and Paul Chapman on +61 8 9211 4600 or email info@albidon.com.

Albidon's nominated adviser is RFC Corporate Finance Ltd, contact Stephen Allen +61 8 9480 2500.

Additional information may also be viewed on Albidon's website at www.albidon.com.