

EXCHANGE TOWER
LEVEL 12
20 BRIDGE ST
SYDNEY NSW 2000

GPO BOX 7039
SYDNEY NSW 2001

T: 02 8248 7000
F: 02 8248 7200

WWW.HJB.COM.AU



WE KNOW PEOPLE

FOR IMMEDIATE RELEASE

27 May 2011

The Manager
Company Announcements Office
ASX Limited

Hamilton James & Bruce Group Limited (ASX: HJB): Notice under section 708AA of the Corporations Act 2001 (Cth.)

Hamilton James & Bruce Group Limited (**Company**) is pleased to announce that it has today lodged an Appendix 3B with the ASX Limited (**ASX**) in relation to a fully underwritten pro-rata non renounceable rights issue of approximately 276,316,740 ordinary shares (**Offer Shares**).

The issue price for the Offer Shares is \$0.01 each on the basis of 1 Offer Share for every ordinary share held by all shareholders of the Company at 7:00 pm (AEST) on 6 June 2011 (**Record Date**) with registered addresses in Australia, New Zealand and Singapore (**Eligible Shareholders**) to raise \$2,763,167 before expenses (**Rights Issue**).

The Rights Issue is fully underwritten by Charterhouse Pte. Ltd. (**Underwriter**) up to a maximum amount of \$2,763,167 (**Underwritten Amount**). The Company will pay the Underwriter a fee of 3% in the Underwritten Amount.

The Company confirms that the Rights Issue is being made without a disclosure document, pursuant to section 708AA of the *Corporations Act 2001* (Cth.) (**Act**).

Pursuant to Section 708AA of the Act, the Company provides the following information:

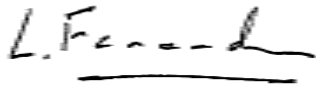
1. the Company will offer the Offer Shares for issue without disclosure to investors under Part 6D.2 of the Act;
2. the Company is providing this notice under paragraph 2(f) of Section 708AA of the Act;
3. as at the date of this notice, the Company had complied with the provisions of Chapter 2M and Section 674 of the Act as they apply to the Company;
4. as at the date of this notice there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching the Shares; and

RECRUITMENT ADVICE & CONSULTING
Hamilton James & Bruce Group Limited ACN 091 302 975

5. the control of the Company and the consequences of that effect:

- (a) If all Eligible Shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of the Company.
- (b) If an Eligible Shareholder does not take up their entitlement in full that shareholder's proportionate shareholdings will be diluted.
- (c) The proportional shareholdings of shareholders who are not residents in Australia, New Zealand or Singapore will be diluted as those shareholders are not entitled to participate in the Rights Issue.
- (d) The Rights Issue is fully underwritten by the Underwriter. If all Eligible Shareholders take up their entitlement under the Rights Issue, then the Underwriter (in its capacity as the Underwriter) will not be issued with any Offer Shares. In the event that there is a shortfall in the take up of entitlements by Eligible Shareholders under the Rights Issue, the Underwriter is required to subscribe for these Offer Shares and the Rights Issue will have an effect on control of the Company in that the shareholding of the Underwriter would increase.

Signed for and on behalf of the Company:

A handwritten signature in black ink, appearing to read "L. Fernandes", with a horizontal line underneath it.

Lance Fernandes
Director and Company Secretary