



**Lachlan Star Limited (Subject
to Deed of Company
Arrangement)**

28 January 2016

COMPANY UPDATE

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**Perth, Western Australia: Lachlan Star Limited ACN 000 759 535 (Subject to Deed of Company Arrangement)
("Lachlan Star" or the "Company") (ASX: LSA).**

We refer to our previous ASX announcements, and provide the following update.

Extension of time to hold Annual General Meeting

Lachlan Star Limited (Subject to Deed of Company Arrangement) ("the Company") advises that on 14 January 2016 the Australian Securities & Investments Commission ("ASIC") granted an extension of time to hold its 2015 annual general meeting ("AGM") until 29 February 2016 ("AGM Relief") pursuant to section 250P of the Corporations Act 2001 (Cth.).

As the market is aware, the Company is currently suspended from quotation whilst it pursues the DOCA Proposal described in previous announcements. The Company applied for the AGM Relief due to the following matters:

- Delay in recapitalisation process

The Company is continuing to work with the DOCA proponent, Ascent Capital Holdings Pty Ltd ("Ascent") towards effectuation of the DOCA. The DOCA is subject to certain conditions precedent, including but not limited to the granting of appropriate waivers by the ASX with respect to the issuance of placement shares as contemplated by the DOCA, and the granting of a letter setting out the conditions upon which the ASX will agree to the shares in the Company being reinstated to official quotation ("the Conditions Precedent"). At the time of writing, these Conditions Precedent have not yet been satisfied. The Company is continuing to work with Ascent and the ASX in this regard.

· Funding

Currently, the Company does not have funding to convene and hold an AGM, and holding an AGM will impose a significant burden on the Company. The Company does not consider it is in the best interests of shareholders and/or creditors to spend time and expense on the preparation of an AGM in these circumstances.

Further, as the Company is under external administration and its shares are suspended from official quotation, we did not consider that there will be any prejudice to members by applying for an extension of time to hold the AGM.

Further updates will be provided to shareholders as appropriate, however should shareholders require any further information, please contact Aidan Gordon of my office on +61 8 9263 7421, or alternatively via email to aidangordon@kpmg.com.au.

Matthew Woods
Deed Administrator