

23 February 2010

The General Manager
National Stock Exchange

Dear Sir/Madam

MONO RESOURCES LIMITED (the Company)

The Company wishes to announce that it has agreed with its 73.76% owned subsidiary, Xtreme Resources Limited, to acquire all of the shares in Xtreme Resources Limited which it does not presently own.

The proposed acquisition is to take place by way of a Scheme of Arrangement which needs to be approved by ASIC and the Federal Court of Australia pursuant to the provisions of Section 411 of the *Corporations Act* and an Originating Process has been filed in the Federal Court of Australia and served on ASIC in relation to the proposed Scheme of Arrangement.

Under the Scheme of Arrangement it is proposed that the Company will pay shareholders in Xtreme Resources Limited holding less than 40,000 shares 5¢ cash for each share that they presently own in Xtreme Resources Limited and in respect of shareholders in Xtreme Resources Limited holding more than 40,000 shares it is proposed to allot one (1) Mono share for every six (6) shares held by those shareholders.

Yours faithfully



George Monemvasitis
Chief Executive Officer