
NEWS

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COURT SAGA ENDS FOR FLINDERS DIAMONDS

AS SHAREHOLDER GROUP TO PAY \$200,000

Listed explorer, Flinders Diamonds Limited (ASX code: "FDL") has brought its two year court battle with a small group of shareholders to a close.

Flinders Diamonds announced today an agreement on payment of costs which brought to an end court proceedings commenced against the small group by the Company on 11 September, 2002.

The group had sought to hold a general meeting of shareholders to replace current Flinders Diamonds' Chairman, Mr Robert Kennedy, and Director, Mr Ewan Vickery, with their own nominees

The Company successfully initiated court action against the group, comprising shareholders Mr Patric Barry, Tiger International Resources Inc, Mr Anthony Campbell, Campbell Corporation Pty Ltd and Balance Tax Pty Ltd, in which it was found that the defendants had entered an illegal agreement in breach of the Corporations Act to vote their shares in such a manner as to take control of the Board and the Company.

Flinders Diamonds announced today that the court proceedings had been brought to an end after Mr Barry and Tiger International – of which Mr Barry is President – had agreed to pay the Company \$200,000 as part of a court order on costs.

The Company recently announced settlements with Mr Campbell, Campbell Corporation and Balance Tax, the other shareholders involved in the original move against the Board.

"Tiger and Mr Barry have consented to an assessment of the costs payable by them to the Company, being allowed at \$200,000," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"For our part, the terms of the settlement allow Flinders Diamonds to discontinue its action in the matter in the High Court," Dr Wills said.

“This decision effectively brings to an end two years of court proceedings in both the Supreme Court of South Australia and the High Court of Australia against these shareholders,” he said.

Dr Wills said the terms of the agreement stipulated:

- Payment of the funds within 60 days
- That until the payment is made, Tiger and Mr Barry would not trade their shares in the Company during that period unless it was to satisfy the agreed debt, and
- That a broker would be appointed to sell the appropriate number of Tiger/Barry-held shares in Flinders Diamonds should the two shareholders fail to make the \$200,000 payment.

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