



Announcement

10 November 2011

Runge Limited Litigation Update – End of Standard Bank Litigation

Leading mining technology services company Runge Limited (Runge) (ASX: RUL), has today announced that the Standard Bank lawsuit against its subsidiary Pincock Allen and Holt (PAH) is at an end with Standard Bank not lodging an appeal within the time deadline. The United States District Court for the District of Colorado has issued its “*mandate*” confirming its January 2010 summary judgment order of dismissal of the lawsuit against PAH. This means that Standard Bank takes nothing from its filing and wrongful prosecution and subsequent appeal of this case over the last four years.

Managing Director, David Meldrum said: “This is a fantastic outcome for PAH and the whole of the Runge Limited group. The legal proceedings were filed against PAH in September 2007. As indicated in our 2008 Prospectus, we were confident that PAH would succeed in this litigation and that day has now finally arrived. No claim was ever made against Runge Limited, but that said, the market has been hesitant due to the size of the claim against PAH and the fact that it was being pursued in the US. It has cost the company in excess of \$2m in legal costs to defend our good name. Despite the cost, it was critical for us to protect our global reputation.

The lawsuit has been a very big black cloud hanging over the Group during this period and to now be finally vindicated is a great feeling. We have learnt a number of lessons from this experience which I am sure we will turn around and use for our long term benefit.

Prior to its IPO in May 2008 the then existing shareholders of Runge Limited approved the placing in trust with RS Trust Co Pty Limited (RS Trust) an aggregate of 5m shares (the Trust Shares) to be held for their benefit. Runge Limited was entitled to require all or part of the Trust Shares to be sold in certain circumstances that related to the outcome of the Claim.

David Meldrum added, “It is with great pleasure that I can advise that those existing shareholders prior to the IPO (who were beneficiaries under the RS Trust) that the end of the Standard Bank Claim has triggered the termination provisions of the RS Trust. The effect of the termination is that all shares held by the RS Trust are now to be transferred to the beneficiaries absolutely.

The unwinding of the RS Trust is not a simple process but it will be completed at the very earliest possible opportunity.”

Finally, David Meldrum advised, “Now that the litigation against PAH is at an end, it is looking at the alternatives available to it to recover its damages as a result of defending this unmeritorious lawsuit against PAH. This includes, but is not limited to, possible action against PAH’s professional indemnity insurer which declined to indemnify PAH when the lawsuit was commenced. PAH is confident that it has good prospects in recovering its losses.

For further information please contact:

Ken Lewis

Company Secretary

+61-7 3100 7200

companysecretary@runge.com.au



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About Runge Limited:

Runge was established in 1977 by Dr Ian Runge and listed on the Australian Securities Exchange on 27 May 2008 (ASX: RUL).

Runge is a leader in the provision of technology products, consulting services and training courses to the global mining industry, delivering solutions and services across a range of commodities.

With expertise across a range of mining disciplines, Runge's approach to the business of mining is strongly grounded in economic principles and delivering mine planning solutions that are tightly coupled with technological support and training. Runge currently operates 20 offices in 12 countries throughout the world. Our team includes Pincock Allen & Holt, Minarco-MineConsult, MRM Mining Services Pty Ltd, GeoGAS Pty Ltd and Corelate Capital Pty Ltd.