



HADDINGTON
RESOURCES LIMITED
ACN 093 391 774 ABN 39 093 391 774

7 Havelock Street
West Perth WA 6005
Australia
PO Box 1909
West Perth WA 6872
Australia
Tel: +61 8 9488 5100
Fax: +61 8 9226 1551
Email: info@haddington.com.au
Web: www.haddington.com.au

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ASX ANNOUNCEMENT

HADDINGTON TO ACQUIRE PROFITABLE SERVICES AND MINERALS GROUP

- **Haddington to acquire Minvest International Corporation, a profitable diversified services and minerals group with operations in Australia, Indonesia and Madagascar.**
 - **The services business includes drilling, geophysics, project assessment and management and has generated EBITDA of approximately A\$3 million.**
 - **The combined mineral portfolio will include uranium, coal, lignite, tantalum, gold and garnet in Australia, Madagascar and Indonesia.**
 - **The combination of the two businesses will create a vertically integrated resources company with a strong cash flow and a large portfolio of highly prospective tenements.**
 - **The acquisition is subject to due diligence and shareholder approval.**
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Haddington (**ASX: HDN**) is pleased to announce that it has entered into an agreement to acquire all of the issued shares of Minvest International Corporation (Minvest), an unlisted diversified services and minerals group with operations in Australia, Indonesia and Madagascar.

Under the agreement, which is subject to satisfactory completion of due diligence and shareholder approval by 31st May 2007, Haddington will issue 45.6 million shares as consideration to Minvest shareholders who will enter into a voluntary escrow in respect of these shares for a period of between two and three years, providing strong incentive to Minvest principals to continue to drive the value of the merged business.

The Directors of Haddington strongly endorse the transaction which will transform the Company into a diversified resources group with a substantial cash flow and a large portfolio of prospective mineral projects.

The Minvest Group has reported an average un-audited EBITDA of approximately \$3 million per year since 2005 and expects its operations to grow into the future. This cash flow will significantly enhance Haddington's ability to explore its mineral projects.

In addition to the services businesses, Haddington will assume the Minvest portfolio of mineral projects which together with Haddington's existing portfolio of mineral assets, will provide Haddington with a large inventory of exploration projects across a range of commodities and will provide a new direction for its exploration efforts.

Uranium (Madagascar, 80%)

Minvest Madagascar SA, an 80% subsidiary of Minvest, has title over three uranium areas comprising 1,300 square kilometres in the south of Madagascar. The areas are at an early stage of exploration, however, airborne radiometric carried out by the French Commissariat a l'Energie Atomique and the United Nations Special Fund has identified radioactive anomalies which were confirmed by Minvest through its follow up ground reconnaissance.

Gold (Madagascar 100%)

Minvest Madagascar has a 100% interest in a gold lease at Antanimbary, to the north of the capital Antananarivo. Exploration by others to date has revealed a high grade gossanous quartz gold anomaly where drilling has intersected two quartz mineralized zones with elevated gold values.

Coal (Madagascar, 100%)

Minvest Madagascar has several coal leases in the well known Sakoa coal region. Historic resource estimates for the entire region have ranged from several hundred million tonnes to the French Bureau of Research Geology and Mines' (BRGM) estimate of as high as two billion tonnes.

Most of the region is generally under-explored with historical work focused on a relatively small area in the vicinity of the old Sakoa mine. Minvest is investigating the possibility of utilising its Sakoa coal areas as a domestic fuel source for power generation and has tendered a proposal to the Government of Madagascar for the development of a coal mine and power station at Sakoa.

Lignite (Madagascar 100%)

Minvest Madagascar has a lease over part of a known lignite area at Antanifotsy, some 150 km south of the capital, Antananarivo. Minvest has carried out preliminary exploration work on the area and is working in co-operation with adjacent lease holders for joint development of the lignite resource to supply a lignite fired power station for Antananarivo.

MANAGEMENT & BOARD CHANGES

Colin McCavana will continue in his role as Managing Director.

The existing board of Haddington will be complemented by the appointment of Mr David Mason, currently General Manager of Minvest, as Director of Operations and the appointment of an additional independent non executive director.

ABOUT MINVEST

Minvest is a diversified group providing a range of mining services. Its principals have significant international experience and expertise and have a successful track

record in all facets of resource exploration and mining, including the discovery and development of a number of medium and large scale coal mines in Indonesia.

The services business provides a range of mineral services, ranging from contract drilling, geophysical services, project assessment and project management to advanced geological computer modelling and mine planning.

Its clients have included prominent mining and energy companies such as BHP Billiton, Xstrata, Anglo, Origin Energy, Bumi Resources and New Hope Corporation at the mines of Adaro, Arutmin, Kaltim Prima in Indonesia and Oaky Creek, Moura, Blackwater, Norwich Park, Crinum and Goonyella in Australia.

In recent years the group has moved towards mine ownership and management in its own right. A new business plan has been implemented to meet these objectives and accordingly a number of mineral projects have been acquired.

ABOUT HADDINGTON

Haddington listed in July 2001 on the back of a licence agreement with Sons of Gwalia for the development of the Bald Hill Tantalum Mine. The Bald Hill project was brought into production on time and within budget and Haddington subsequently became a successful tantalum producer, supplying approximately 5% of world production.

The demise of Sons of Gwalia in 2004 resulted in some major structural changes to the tantalum industry. Low cost production from central and eastern Africa has also depressed tantalite prices and demand for higher cost concentrates has reduced markedly.

These factors have made the Company's remaining tantalite resources marginal, therefore, it is looking to other mineral opportunities for its future development.

The Company has also built a substantial portfolio of exploration tenements around its tantalum business. These tenements have also exhibited potential for other mineral occurrences. The recent announcement on the Shoobridge uranium areas highlights this potential.

The directors believe that the Minvest transaction provides Haddington with an outstanding opportunity, through the combined large and diverse mineral exploration portfolio and the re-establishment of substantial cash flow, to emulate its previous success as a miner.

ON BEHALF OF THE BOARD OF DIRECTORS OF HADDINGTON RESOURCES LIMITED.

Colin McCavana

Managing Director

Telephone +61 8 9488 5100