Dear Shareholders and Colleagues,

This morning my Monday began early, first with an Audit Committee meeting for the Jupiter interims, and second with a strategy discussion with Perth on Star Striker Ltd, the ASX-listed company in which we still retain a significant interest. Then I left home for the office. And this evening our Monday will end late, with telephone calls to Texas.

Of Jupiter we can say nothing; the results will be out soon enough. Our involvement through Jupiter in the Tshipi é Ntle manganese mine in South Africa, a leading producer of that commodity, gives us a window onto the economics and decision-making processes of a cutting edge low cost bulk ore producer in the current market. Much of what we see can probably be transposed and applied to other commodities and to other lead producers. This is a valuable tool for us in understanding the current dynamics of the market and avoiding at least some errors.

As for Star Striker (ASX:SRT), now an AUD 13m capitalization company, where our retained interest is, surprisingly, now valued at over 70% of our market capitalization, any problems are those of success. The strategy of strengthening the balance sheet and eliminating outflows, has been developed to a point where it is ahead of RRR now, and sitting on a healthy cash pile. This puts it in a position to close opportunities from a position of strength, and take only the pick of what is available. To strengthen the balance sheet still further would not be wrong, and would make it an even more attractive partner, but to do a deal now would not be wrong. The thing SRT must try to avoid is announcing a deal that fails to proceed to completion.

Whatever happens, it will be right from a risk management point of view, as we have made clear, for RRR to take some money off the table at SRT. When we do so that will not be a sign of lack of confidence in any transaction then contemplated or completed. For a deal to proceed, SRT wants to see a several hundred per cent return for its shareholders as reasonably possible, which implies that it expects the price may rise further. It is simply that too much of our cash and near-cash value is tied up in one asset, SRT, and one moreover that is not core to our business.

Selling some will also demonstrate (a) that we are willing to use this as liquidity and (b) that it is liquid enough to enable us to do so, while (c) getting the best current price and not driving down the market.

If we continually remind people of these points, and telegraph clearly our intentions, it is not in order that no-one should later say: “Why did you not sell all?” or “Why did you sell any, as it has gone up?”: for whatever we do, some will ask these questions. It is to create a reasonable expectation that we are engaging in an open and rational consideration so that whatever we do will be as far as possible optimal.

Turning from legacy to the future, we will also be dealing with Shoats Creek documentation this week, we expect, this being a little overdue. We study the oil price, and on the basis that a trend is a trend until it ends we are not making the optimistic assumption that the oil price may not fall, but have always assumed that it might. If we believe Shoats Creek is a worthwhile investment, it must be on the basis that it offers an attractive return even at lower oil price levels. The prospect of direct revenues, offering a fairly rapid payback under different scenarios, depends on low production costs, but if we were not satisfied on that front we would have had no interest in proceeding.

Finally, a quick note on resolutions 7, 8 and 10 at the AGM. Some have asked the meaning of these, and a few have looked behind the text to suggest motives other than the obvious. But the obvious explanation is the correct one. The answer is that these resolutions would have the effect, taken together, of consolidating every 25 shares into one. These resolutions, as combined, are the standard mechanism – the standard resolutions - by which that result is achieved. The expectation is that the price would then trade in the region of 0.5p plus. The reason for this in our mind was that the price does not at the current level display properly either on the LSE/AIM price page or for example on services like Bloomberg and Yahoo. Their methods of dealing with numbers after the decimal point varies. Some apps and services can cope, but others can't, which is a great inconvenience to many people, and means that the price movement displayed and the price displayed may not be consistent. If we, as management, sitting in the office, can be uncertain what the real price is at any moment, it is unsurprising that shareholders are also. This can only reduce liquidity, which depends on transparency. The consolidation is to a level that is still easy to trade, and will leave a number of shares outstanding large enough for good liquidity.

Our analysis shows no evidence that similar consolidations have any adverse effect on price, or in altering a trend from that already established.

Yours,

Andrew Bell