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ASX and Media Release

8 October 2012

Successful Completion of Placement and Institutional Entitlement Offer and Details of Retail Entitlement Offer

Base Resources Limited (ASX:BSE) ("Base") is pleased to announce the successful completion of the recently announced share placement ("**Placement**") and the accelerated institutional component ("**Institutional Entitlement Offer**") of the 1 for 12 non-renounceable entitlement offer ("**Entitlement Offer**"), as part of a capital raising to raise A\$40.0 million ("**Offer**") at A\$0.40 per share ("**Offer Price**").

The Placement and Institutional Entitlement Offer ("**Institutional Offer**") have raised a total of A\$36,372,745 (before costs) for the issue of 90,931,863 fully paid ordinary shares ("**New Shares**") to institutional and sophisticated investors, comprised as follows:

- a) Placement of 61,629,998 New Shares to raise A\$24,651,999; and
- b) Institutional Entitlement Offer of 29,301,865 New Shares to raise A\$11,720,746.

Base Managing Director, Tim Carstens, said: "We have been delighted with the strong support demonstrated by our existing institutional shareholders and also the level of interest from new investors which has seen the Institutional Offer significantly oversubscribed. We welcome those new shareholders to Base's register, and also look forward to the participation of our eligible retail shareholders in the retail entitlement offer, which is fully underwritten, when it opens."

Settlement of the Placement and the Institutional Entitlements Offer is scheduled for Thursday, 11 October 2012, with the New Shares expected to commence trading on Friday, 12 October 2012.

The Offer has been underwritten by RFC Ambrian Limited ("**RFC Ambrian**") subject to the terms and conditions of an underwriting agreement. In addition to being the underwriter, RFC Ambrian is the lead manager and book runner for the Offer. Euroz Securities Limited is co-lead manager of the Placement and the Institutional Entitlement Offer.

Proceeds of the Offer will be applied to the development of Base's Kwale Mineral Sands Project in Kenya, provide for additional working capital and pay the costs of the Offer.

Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") opens on Thursday, 11 October 2012 and is expected to close at 5.00pm (AEST) on Thursday, 25 October 2012. As it is fully underwritten, the Retail Entitlement Offer will raise A\$3,627,255.

Shareholders who are eligible to participate under the terms of the Retail Entitlement Offer will be offered the opportunity to subscribe for 1 new Base share for every 12 existing Base shares held at 7.00pm (AEST) on Tuesday, 9 October 2012 at the Offer Price of A\$0.40 per share. This is the same entitlement ratio and Offer Price as applied to the Institutional Entitlement Offer.

Eligible retail shareholders should carefully read the retail entitlement offer booklet, investor presentation and personalised entitlement and acceptance form, which is expected to be mailed to each eligible retail shareholder on Thursday, 11 October 2012.

The Retail Entitlement Offer is not being extended to any shareholder with a registered address outside Australia and New Zealand.

Base shares are expected to resume trading on the ASX today.

ENDS

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

IMPORTANT NOTICE TO NOMINEES

Because of legal restrictions, you must not send copies of this letter or any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States and on whose behalf you are the registered owner of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

Corporate Details:

Board of Directors:

Andrew King	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwye	Executive Director
Sam Willis	Non-Executive Director
Michael Anderson	Non-Executive Director
Trevor Schultz	Non-Executive Director
Winton Willesee	Non-Executive Director/ Company Secretary

Principal & Registered Office:

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About Base Resources

Base Resources Limited (ASX:BSE) is developing the world-class Kwale Mineral Sands Project in Kenya, East Africa. Kwale is an advanced and highly competitive project in a sector with a significant forecast supply shortfall widely expected to emerge in the medium term.

The Kwale Project represents an advanced development opportunity with all material project approvals, permits and licenses required for development currently in place, funding in place and construction of all project elements underway.

The Project enjoys a high level of support from the Government of Kenya as well as the local community and, located just 50km from Mombasa, Kenya's principal port facility, is well serviced by existing physical infrastructure.

Importantly, two pilot plant operations at Kwale provide confidence in processing behaviour and indicate a suite of readily marketable products. The Project's high value mineral assemblage and low stripping ratio result in a projected revenue to cash cost ratio that would place Kwale in the top quartile of world producers.

A realistic development time line should see the Kwale Project in production in the second half of 2013.