

3 November 2010

Codan Limited
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ASX ANNOUNCEMENT

SALE OF SHARES IN GROUNDPROBE PTY LTD

Codan Limited advises that it has contributed its minority shareholding in GroundProbe Pty Ltd to the sale of that business. The amount received will be \$4,456,980, comprised of a fully franked dividend of \$661,794 and cash consideration of \$3,795,186. The current book value of the investment is \$50,067.

On 1 February 2002, Codan's subsidiary company, Codan (Qld) Pty Ltd, acquired an initial shareholding in GroundProbe when it converted its rights under a Generic Technology Grant Agreement to shares in GroundProbe. GroundProbe was established by some of the parties to the Agreement to commercialise the intellectual property which arose from the Agreement. Codan further increased its investment in GroundProbe during a capital raising in 2003.

This share sale is expected to result in an abnormal and non-recurring contribution to reported net profit after tax of \$4,208,375 for the financial year ending 30 June 2011, but does not affect previous guidance regarding the company's underlying net profit after tax for the year, which is expected to be in the region of \$20 million.



Mike Heard
Managing Director and Chief Executive Officer