



GREENLAND
MINERALS AND ENERGY LTD
ABN 85 118 463 004

Litigation support to minorities of joint venture partner, Westrip.

Tuesday 21 July 2009

ASX Company announcement

Background

As the market is aware, Greenland Minerals and Energy Limited (“GGG, or the ‘Company’”) is a party to a joint venture agreement with UK-based Westrip Holdings Limited (“Westrip”) dated 14 March 2007 relating to the Kvanefjeld multi-element project in Greenland.

Greenland Minerals and Trading A/S, (“GME”) a Greenland incorporated subsidiary of GGG holds licenses relevant to the Kvanefjeld multi-element project. Under the terms of the joint venture, Westrip owns 39% of GME. Negotiations were previously held with Westrip to simplify its terms of the joint venture.

Issue

A number of minority shareholders in Westrip (the “Claimants”) have commenced court proceedings independently in respect of a derivative action against Westrip, its directors, (which include **Mr Gregory Bennet Barnes**, Ms Janine Walker (since resigned), Mr Dabinder Powar and Mr Hans Kristian Schonwandt), Rimbal Pty Ltd and Horrocks Enterprises Pty Ltd, The latter two companies are Australian based companies owned by Mr Gregory Bennet Barnes, Ms Janine Walker. (This action does not include the newly appointed director John Greeves).

GGG’s interest in the joint venture is not in question. Nor are any of its rights under this agreement however given the circumstance and the allegations, the directors have resolved to financially support the Claimants with an appropriate cap to the level of assistance. The Company has taken this decision based on legal advice received from the Company’s UK based lawyers.

There are injunctions being applied for against all of the named defendants associated with Westrip as outlined above.

The Company will keep the market informed of the proceedings.

Yours faithfully

Roderick McIllree
Managing Director



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