

ASX RELEASE – 7 APRIL 2011

BC Iron puts Regent Pacific on notice regarding the Scheme

As permitted by the Scheme Implementation Agreement (SIA), **BC Iron Limited (BC Iron)** (ASX:BCI) has today given notice to Regent Pacific Group Limited (**Regent Pacific**) (pursuant to clause 3.6(a) of the SIA) that it must consult with BC Iron in good faith to determine whether the Scheme of Arrangement (**Scheme**) can proceed.

Under the SIA, the Scheme is conditional on finance being available on the terms of the US\$155 million debt finance facility documents between Regent Pacific and Standard Chartered Bank (**Finance Condition**).

In light of Regent Pacific's statements, BC Iron currently considers that the Finance Condition has become incapable of satisfaction.

BC Iron has reserved all its rights, including termination of the SIA if no acceptable outcome is reached within five business days of the notice to Regent Pacific (being Thursday 14 April 2011).

A full copy of the SIA was released to ASX on 22 March 2011 and is available on the BC Iron website.

- ENDS -

FOR FURTHER INFORMATION:

TONY KIERNAN / MIKE YOUNG
CHAIRMAN / MANAGING DIRECTOR
BC IRON LIMITED
TELEPHONE: +61 8 6311 3400

RELEASED BY:

DAVID TASKER / JAMES HARRIS
PROFESSIONAL PUBLIC RELATIONS
TELEPHONE: +61 8 9388 0944

About BC Iron Limited

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of WA. The Company's core asset is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV will use Fortescue's infrastructure at Christmas Creek, 50 km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX. The Company plans to export 800,000t by June 2011 at which point BC Iron will be mining at a throughput of 3Mtpa.

Website: www.bcion.com.au