



GALE PACIFIC LIMITED
(ASX: GAP)

ASX and Media Release

Rights Issue Closure and Notice of Shortfall

17 March 2009

The Manager
Company Announcements Office
ASX Limited
Level 45 – South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Gale Pacific announces that its recent renounceable rights issue of 1.25 new shares for every 1 existing share (**Rights Issue**) closed on 12 March 2009 with the following results:

Total number of new shares on offer:	171,042,937
Total number of shares validly applied for:	137,380,296
Number of applications received:	230
Total Shortfall:	33,662,641 shares
Underwritten Shortfall:	5,476,846 shares

Gale Pacific received a number of applications for new shares in addition to shareholders' entitlements under the Rights Issue. All of the applications for additional shares were satisfied in full.

Under the Rights Issue, Windhager Handels GesmbH, Gale Pacific's distributor in Europe, has become a substantial shareholder and will hold approximately 14.9% of Gale Pacific's shares following the Rights Issue. Gale Pacific welcomes Windhager as a shareholder.

The Rights Issue is underwritten to \$5m and Gale Pacific confirms that in accordance with terms of each underwriting agreement, the underwritten shortfall of 5,476,846 shares will be taken up by the underwriters. Gale Pacific confirms that a shortfall notice has been issued in accordance with each underwriting agreement. Following the Rights Issue, Thorney will hold approximately 25.54% of Gale Pacific's shares, and Investec will hold approximately 25.35% – each of these are less than the maximum underwriter's holding outlined in the documentation setting out the terms of the Rights Issue.

When completed, the total funds raised under the Rights Issue will be A\$4,999,999.97 million before issue costs. The new shares are expected to be issued on 18 March 2009 and holding statements are expected to be dispatched on 19 March 2009.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sophie Karzis".

Sophie Karzis
Company secretary