



ASX/MEDIA RELEASE

19 September 2007

FINAL DIVIDEND 2.5 CENTS

Katana Capital Limited (ASX: KAT) (“Katana Capital”) the board of directors are pleased to announce that they have resolved to declare a 2.5 cent final dividend for the financial year ended 30 June 2007. This brings the total dividends per share paid and declared for the 2007 financial year to 6.5 cents following Katana Capital's earlier payment of a 2 cent interim dividend and a 2 cent special dividend declared in March 2007.

Katana Capital also intends to implement a dividend reinvestment plan (“DRP”) prior to the payment of the final dividend. This DRP, once adopted by the board of directors, will replace the dividend reinvestment plan previously adopted by the board, as disclosed immediately after Katana Capital's initial public offering in 2005. It is presently anticipated that the key terms of the DRP will be as follows:

- (i) Once the DRP is adopted by the board, shareholders may elect to receive Katana Capital shares instead of cash for dividends declared by Katana Capital in respect of all or part of their holdings of Shares (at their election). All shareholders are eligible to participate in the DRP, and participation is optional.
- (ii) Every shareholder wishing to participate in the DRP will need to complete, sign and lodge an appropriate election notice with Katana Capital. Election notices, together with the DRP rules, will be provided to shareholders once the DRP has been finalised and adopted.
- (iii) The DRP will involve the transfer to participating shareholders of existing Katana Capital shares to the value of a shareholder's total dividend entitlement. These shares will be acquired on-market for the purposes of the DRP by a nominated broker, at a price per share up to a maximum price determined by the board, which will be set at a specified discount to Katana's NTA per share.
- (iv) To the extent sufficient shares to meet shareholders' entitlements under the DRP cannot be purchased at a price less than the specified maximum price per share, Katana Capital will issue additional new shares to participating shareholders again at a specified discount to the company's NTA per share.

The intent of the DRP is that the buying of shares on-market at a discount to Katana's NTA will facilitate additional liquidity in the shares of the company.

The key dates for the dividend are:

- Ex-dividend date 9 October 2007
- Record date 15 October 2007
- Payment & Despatch date 31 October 2007



The dividend will be franked to the extent allowable pursuant to Katana's franking allowance. The franked amount per dividend will be announced as soon as it has been finalised.

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