



Future Dividend Policy Update

The Board of Knights Capital Group Ltd (“KCGL”) takes this opportunity to update shareholders on its future dividend policy.

The Corporations Amendment (Corporate Reporting Reform) Bill 2010 was introduced into Federal Parliament for consideration in the 2010 autumn sittings. The Bill was passed by both Houses of Parliament in late June 2010 and received Royal Assent on the 28th June 2010 being Act No. 66 of 2010.

This Act replaces the profits test (in regards to the payment of dividends) with a new test which will enable a company to pay dividends provided its assets exceed its liabilities (and the excess allows for the payment of the dividend); ensures that the payment of the dividend is fair and reasonable to its shareholders as a whole; and that the dividend does not materially prejudice the company’s ability to pay its creditors.

The KCGL Board presently believes the Company will be in a position to satisfy the new test and consider a dividend to shareholders for the year ending 30 June 2010. The dividend cents per share would be determined upon final audited accounts for 2010 (due late September) and KCGL’s level of cash reserves and working capital requirements at such time.

Shareholders are invited to monitor KCGL’s website www.knightsgroup.com.au for updates on this matter.

July, 2010