



MORNING STAR HOLDINGS (AUSTRALIA) LTD

ASX/Media Release

18 November 2009

Diversification into the exciting South Africa Platinum Industry

Key Points

- The company is completing the acquisition of three platinum prospects on the Eastern Limb of South Africa's platinum-rich Bushveld Igneous Complex. In order of priority they are Kliprivier, Ghost Mountain, and Tinderbox
- Initial focus is on Kliprivier which the Company considers to have the greatest potential for the discovery of economically viable mineralisation in the near term
- A two phased exploration approach has been adopted
 - Phase 1 (underway) – reinterpretation of existing geological data with a focus on the near surface UG2 Reef which is amenable to lower cost open pit or shallow underground mining and completing the regulatory aspects of the acquisition
 - Phase 2- Upgrading the resource to measured and indicated status via further exploration and infill drilling
- Budgets and timelines for Phase 2 will be finalised after management and their advisors have completed the Phase 1 review in December 2009

REALM RESOURCES ACQUISITION

Morning Star Holdings (Australia) Ltd (**ASX code MSH, "Morning Star"**), has made significant progress with its diversification strategy following shareholder approval of the Realm Resources Limited ("**Realm**") acquisition on 24th September 2009. The acquisition gives the company access to the robust South African platinum group metals ("**PGM**") industry.

Managing Director, Richard Rossiter, commented: "Morning Star has embarked on an exciting phase of its development with its entry into three prospective platinum properties in South Africa. PGM's have an exciting future and there is no better place in the world than where we are to make an economic discovery."

The following update is provided in order to keep shareholders up-to-date on the progress and future direction of your company.

SOUTH AFRICA'S BUSHVELD IGNEOUS COMPLEX

The assets acquired in the Realm Resources transaction all occur within the Bushveld Igneous Complex ("BIC"), the geological feature that hosts more than 85% of the world's platinum resources. Specifically the tenements occur on the southern portion of the Eastern Limb of the complex, some 230km from Johannesburg. The tenements from north to south are Ghost Mountain, Kliprivier and Tinderbox. The Kliprivier prospect is considered the most prospective and occurs immediately to the south of Aquarius Platinum Ltd's Everest South mine and Northam Platinum Ltd's recently announced Booyendal project.

The tenements are accessible via sealed roads, and are well placed relative to regional power and water infrastructure.

Figure 1 Location of the Bushveld Igneous Complex and Realm Resources' Tenements

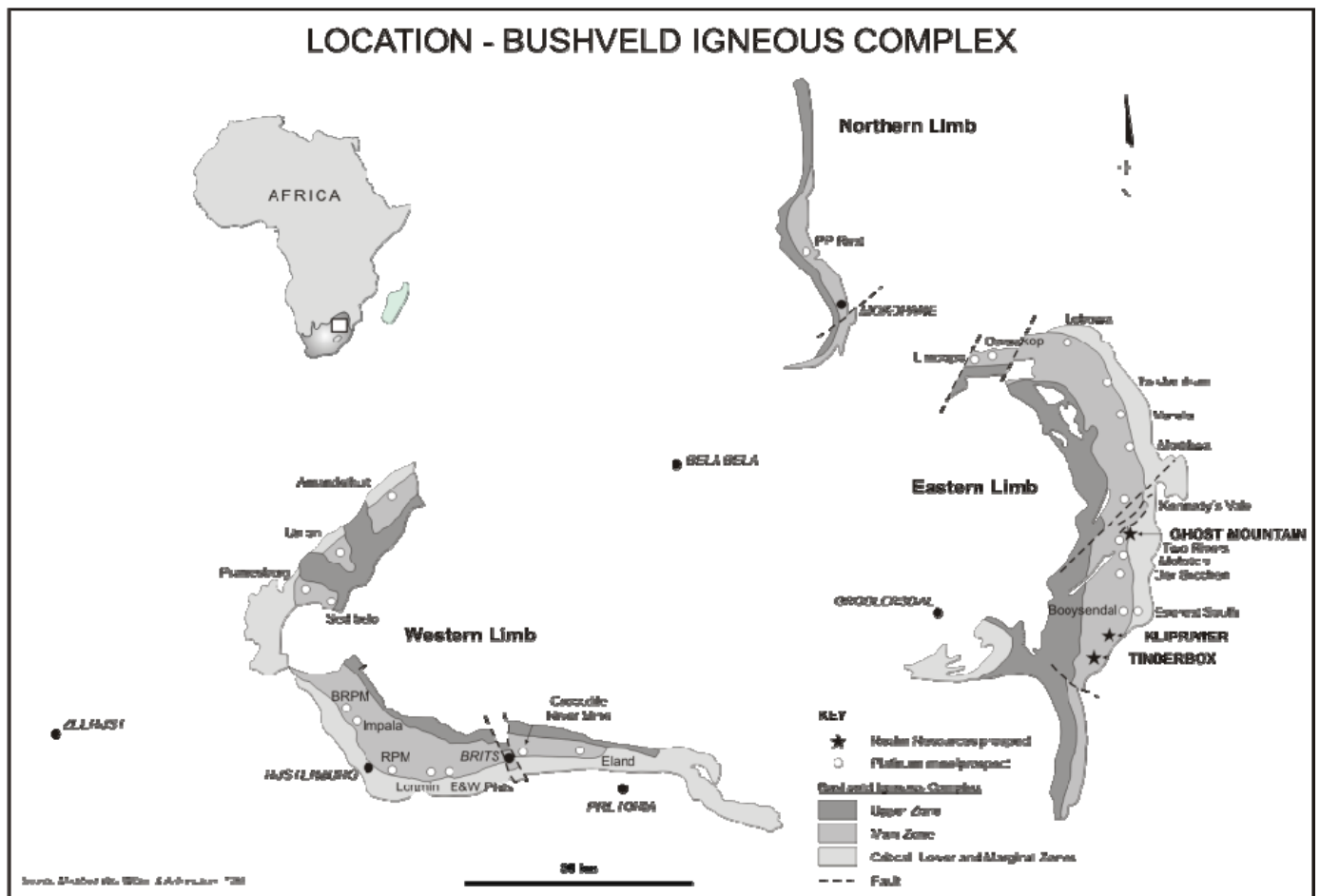
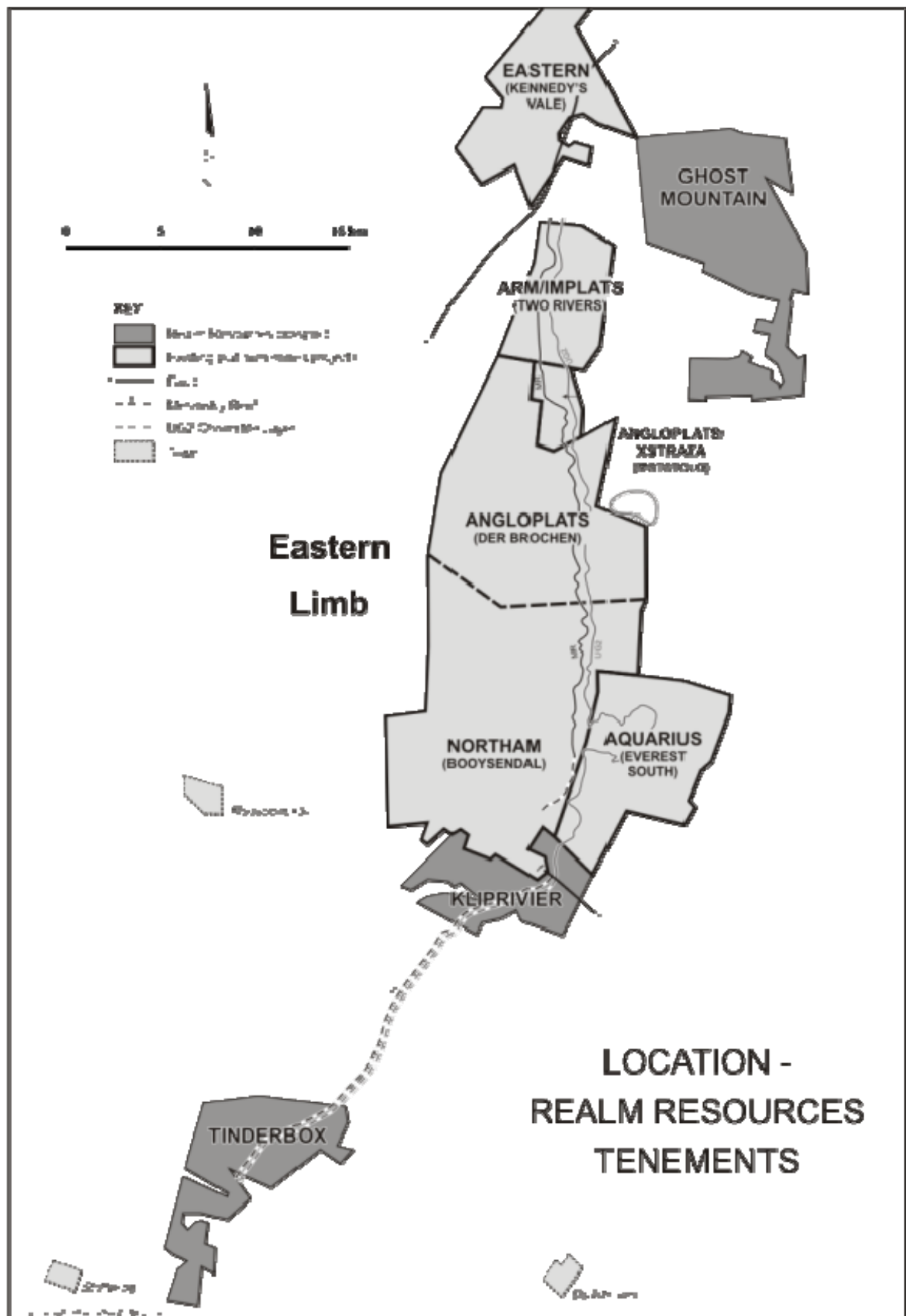


Figure 2 Realm Resources' Tenements – Eastern Limb



A brief description of the portfolio ranked in order of priority is given below:-

Kliprivier Project

- PGM resource - inferred UG2 resource of 109.6 Mt @ 2.3 g/t (3PGE+Au) containing 7.6 Moz 3PGE+Au (undiscounted) or 6.46Moz applying a 15% discount factor from surface over a 6km strike length on the 3,300ha permitted share of Kliprivier (based on information compiled by Mr Allen Maynard – Member of the Australian Institute of Mining and Metallurgy (AusIMM)).
- PGM targets - a lower chromitite band with potential PGM mineralisation (Source Nkwe – Annual Financial Statements 2008). This target mineralisation is conceptual in nature and future exploration may or may not define this in whole or in part.

Ghost Mountain Prospect

- PGM targets - the UG1, UG2 seams and Merensky Reef all outcrop on the southern part of the farm Tweefontein and require further work to establish the extent of the deposits. The eastern block of farms hold exploration potential for the discovery of outliers of the PGM reefs as well as of Platreef - Uitkomst type mineralisation.

Tinderbox Prospect

- PGM targets - early stage exploration project. There is evidence to suggest that marginal style Critical Zone norite which could host UG2 mineralisation may be present on the prospect.

FOCUS ON KLIPRIVIER

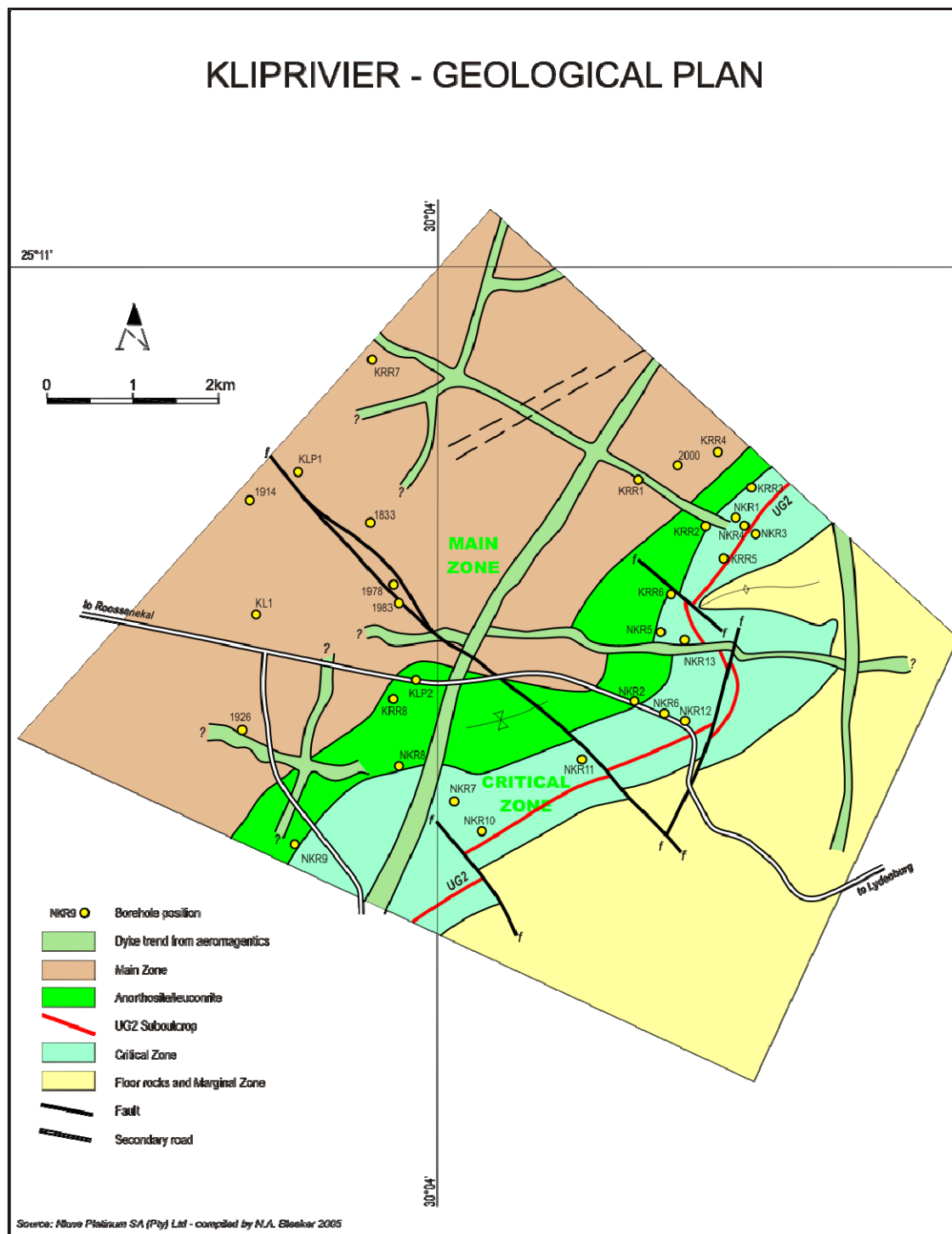
Morning Star have decided to focus the company's attention on developing the Kliprivier project as it is considered to have the greatest potential for the discovery of economically viable mineralisation in the near term. The potential of the Ghost Mountain and Tinderbox properties will also be assessed but only after the initial review of the priority target.

Previous exploration work on the Kliprivier project has been carried out by at least five companies since 1969 with 30 boreholes drilled, some to in excess of 1,000m deep. Progress was previously hampered due to the fragmented nature of the ground holdings, with the focus aimed at determining the viability of a higher grade and deeper level mining project.

OPEN CUT – LOW CAPEX AND OPEX APPROACH

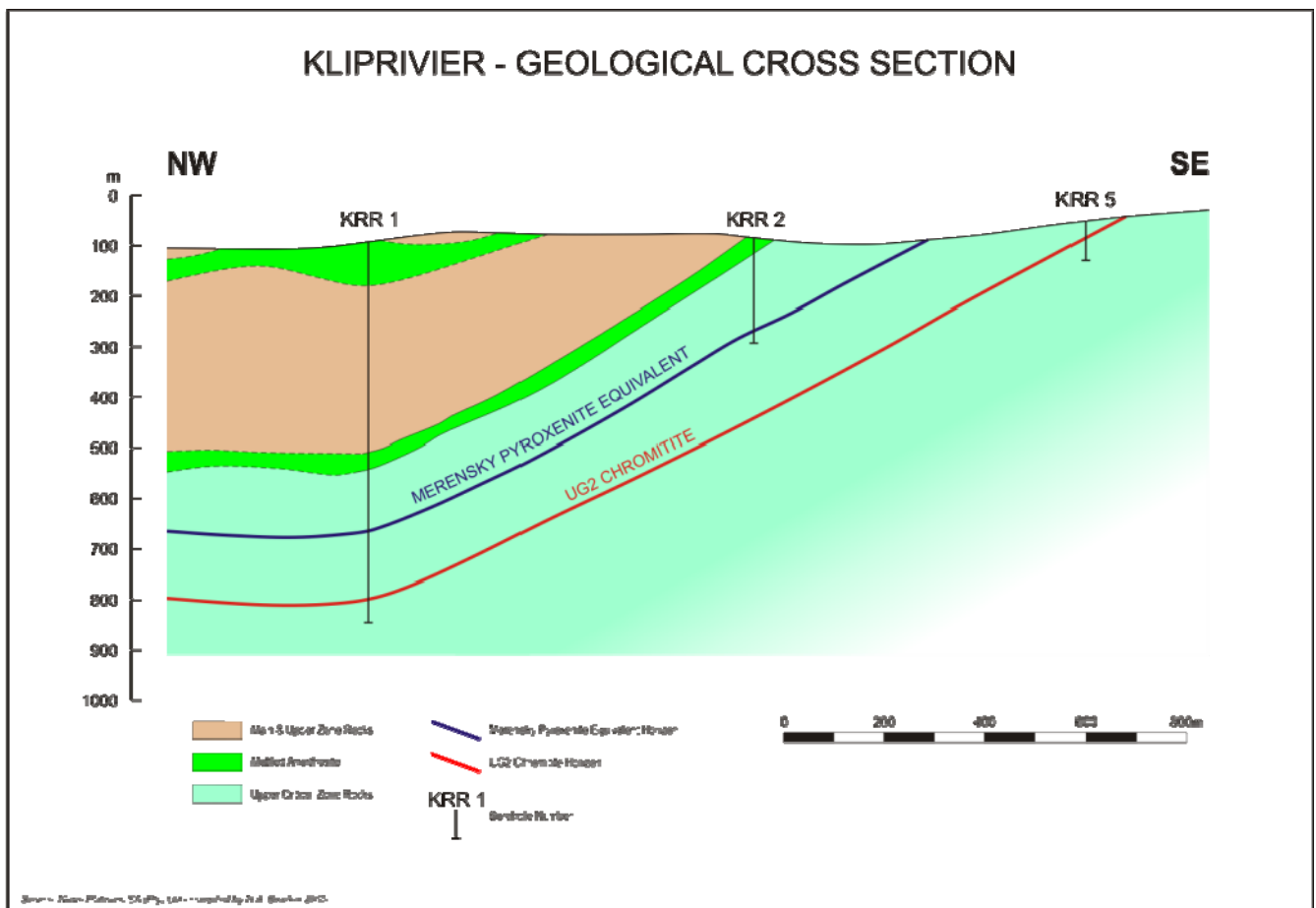
Given the generally lower PGM grades identified by the previous companies, Morning Star has decided to focus on the near surface UG2 Reef (less than 200m depth) which is amenable to lower cost open pit or shallow underground mining. The initial review of the data has indicated that the Kliprivier project might best be exploited via open-cut methods with ore treated at a nearby low-cost plant to be constructed by the company. Additionally, Morning Star is exploring ways to enhance returns via the potential extraction and sale of by-product chromite and through upgrading the ore via dense media separation techniques.

Figure 3 Kliprivier geological plan



The UG2 Chromitite Reef is the primary economic horizon occurring on the property with approximately 7km of potential near surface strike exposure. The Merensky Reef is poorly developed in Kliprivier and is locally known as the Merensky pyroxenite equivalent horizon. The Merensky horizon occurs around 100 to 120m above the UG2 Reef.

Figure 4 Kliprivier geological cross-section



KLIPRIVIER WORK PROGRAMME

Morning Star is approaching the project with an appropriate strategy of focussing on the near surface (less than 200m) potential in comparison to the previous owners who drilled to depths in excess of 1,000m. Experienced consulting geologists have been appointed and work has begun to consolidate all documents and data over the projects and review all previous drill core and sampling. The work programme has been designed in two stages with the initial geological review running concurrently with the finalisation of the regulatory requirements for transfer of rights on the properties (the transfer requires ministerial approval which is expected to take around three months). Once this has been achieved, the second phase of the programme will be implemented.

The initial phase of the work plan incorporates:-

- Collection, compilation, overview, checking and interpreting the existing data including re-examination of all bore cores and field mapping;
- A focus on the 6-7km of potential shallow UG2 mineralisation with the aim of designing and budgeting for a follow up exploration and drilling programme to better define the near surface UG2 resources;

- Additional sampling of cores and deflections to assess the potential for a UG2 “wide reef facies”;
- Environmental assessments to ensure compliance with all regulatory requirements;
- Finalising necessary regulatory requirements and importantly actioning the Section 11 consent to transfer the ownership of the mineral rights.

The initial phase of the work programme is well underway and updates will be published when further information is available. Management is expecting to complete the phase one review of Kliprivier in December 2009.

BUDGETS AND EXPLORATION PROGRAMME

In parallel with the initial geological review, the company will work with its advisors to finalise the details, timing and costs associated with the second, more capital intensive exploration and drilling phase of the programme. A preliminary budget and timeline has been drawn up and this information will be advised when it has been agreed with the company and its advisors.

ABOUT MORNING STAR

On 5 September 2008 Morning Star was relisted on the ASX with the strategy of introducing site-dedicated aluminium dross treatment plants to Australia and elsewhere as well as sourcing good quality resource sector projects. The company has an aluminium dross treatment plant located in Pietermaritzburg, South Africa and has recently diversified into the robust South African platinum sector via the acquisition of Realm Resources Limited.

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Competent Persons Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences (“AIG”), a Corporate Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr Maynard is the principal of AI Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Glossary

PGM = Platinum Group Metals

UG2 = Upper Group 2 Chromitite Layer

UG1 = Upper Group 1 Chromitite Layer

3PGE+ Au = 3 platinum group metals (platinum, palladium and rhodium plus gold)

Mt – Millions of tons

Moz = Millions of ounces