

**INVESTMENT RESEARCH GROUP LIMITED
("Company")**

ANNOUNCEMENT

Progress on Recapitalisation

The Company today issued 4,005,372 shares to Snowdon Peak Investments Limited as a result of Snowdon Peak exercising 4,005,372 six cent 2011 warrants. Snowdon Peak is the investment vehicle of Brent King, the Managing Director of the Company.

The issue effectively represents a capitalisation of indebtedness owed by the Company to Brent King, and strengthens the Company's balance sheet accordingly. The Company also benefits from the fact that the issue price of the shares, at six cents, represents a premium over the current market price of approximately five cents per share.

The shares issued to Snowdon Peak represent the maximum number of shares that can be issued to Snowdon Peak in compliance with the Takeovers Code at this time. The issue of shares to Snowdon Peak takes its level of shareholding in the Company back to 28.6%, being the level of its holding before a recent placement of shares made by the Company.

"Obviously this transaction benefits IRG much more than it benefits me, but I am committed to this Company" said King.

In addition to making the issue of shares to Snowdon Peak, and as previously announced, the Company is seeking to raise approximately \$500,000 of additional capital in order to address a breach of banking covenants.

"I have made it clear that the Company intends to address the issue with its banking covenants as a matter of urgency. We have had a number of approaches from parties interested in discussing various options. These vary from asset purchases to direct cash investments. We will not sell assets; we believe we have some very valuable assets. The raising of the cash will actually make the company stronger and will open other opportunities to us" King said.

As previously announced, the Company is actively reviewing options to raise further capital.

Further information

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