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**Australian Stock Exchange
Company Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000**

Dear Sir

SALE OF JIVA KATA INVESTMENT

Orchid is pleased to announce that its 23.2% owned investee, Jiva Kata Resort Company Limited, has disposed of its hotel property in Phuket, Thailand. Jiva has now received the first instalment of the sale price, of which Orchid's share is ThB 17,632,000 (approx A\$608,000).

Based on achieving certain milestones relating to enlarging the hotel, Orchid will receive further amounts totalling ThB 23,200,000 (approx A\$800,000) over the course of the next sixteen months. The book value of the investment in Jiva is A\$500,000.

The proceeds from the sale will be utilised as part of Orchid's new strategy of participating in pre-IPO's in various Asian markets. It is also anticipated that most of the old non-core assets will be sold over the coming months in order to focus on the Company's new investment strategy.

Yours faithfully

**Julian Sandt
Chief Executive Officer
Orchid Capital Limited**