

ASX RELEASE

SOLCO LIMITED
ACN 084 656 691

19th June 2007

To ASX Announcements Platform

Solco Update on Developments

Solco Ltd (ASX: SOO): Solco reports as follows on the initiatives foreshadowed in its announcement to the ASX on 18 April 2007.

1) Operations

The company continues to address and rationalize its operational base to position for sound future growth and development.

2) New Board

The new board is actively addressing the Company's strategic pathway forward and is bringing improved corporate government initiatives to bear.

3) Capital Raising

The company is committed to its previously announced capital raisings. The timetable for matters is now to be:

- The proposed EGM is now scheduled for the 30th of July 2007. (Notice of meeting to be dispatched by 29th of June 2007)
- The record date for the proposed 1:4 pro rata renounceable rights issue at 7 cents per share is now confirmed to be mid July with acceptances closing by late July. Solco will confirm actual dates presently.
- Although the rights issue prospectus will only be made available to shareholders at the record date with registered addresses in Australia and New Zealand, Solco will appoint a nominee (with whom foreign shareholders may register their rights) to facilitate the sale of rights by foreign shareholders, in accordance with ASX Listing Rule requirements. The foreign shareholders may gain the benefit in value of the rights attaching to their shares if there is an active market in the trading of such renounceable rights (which reasonably might be anticipated in present circumstances given the rights issue price in relation to recent trades). Full details of these arrangements will be set forth in the rights issue prospectus scheduled for lodgment with ASIC in early July.

4) Managing Director

The first phase of the Company's reconstruction and David Richardson's change management role as Managing Director nears completion. The Company has resolved to engage an independent executive search agent to assist in recruiting a new CEO/ Managing Director to take over this executive function from David Richardson. David will continue in a non-executive role to ensure continuity of process and the ongoing availability to the Company of his valued and active strategic input. In the interim David remains as CEO/ Managing Director. Solco will keep the market informed of progress on this initiative.

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5) Strategic Pathway Forward

The board continues to assess the Strategic acquisition of complementary business in target sectors to assist Solco in achieving the economies of scale and scope necessary for it to drive shareholder value as a public listed corporation. Solco will announce any developments in this respect as soon as any agreements may be committed.

For further information, contact John Beech, Company Secretary on 0400 103 675.

John William Beech
Company Secretary
20th June 2007

For further information on Solco visit www.solco.com.au.

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