



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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FOR PUBLIC RELEASE

The Manager - Announcements
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Australian Stock Exchange Limited

KINGSGATE DISPATCHES BIDDER'S STATEMENT FOR ANDEAN

Kingsgate Consolidated Limited (Kingsgate) today commenced the dispatch of the Bidder's Statement for its off-market takeover offer (Offer) for all the shares in Andean Resources Limited, ASX:AND, (Andean) to Andean shareholders.

Under Kingsgate's Offer, Andean shareholders will receive 1 Kingsgate share for every 15 Andean shares held. In addition, Andean shareholders will be entitled to receive the Kingsgate interim dividend of 5 cents per Kingsgate share provided that the Offer is unconditional and they have accepted the Offer by the record date of 21 April 2006.

Kingsgate sees clear benefits from merging the two companies into a larger, more diverse gold mining company. The acquisition will represent a material growth step for Kingsgate and add a second major asset, namely the Cerro Negro gold project in Argentina, with medium-term development potential to its portfolio.

Kingsgate Chairman, Ross Smyth-Kirk, said today: "We are delighted that our offer for Andean is now in the hands of Andean shareholders who have the opportunity to accept the Offer and share in the benefits of a combined Kingsgate and Andean."

"Kingsgate has an excellent track record of delivering superior share price performance and total shareholder returns over the longer term. Since January 2000, Kingsgate has delivered a total return to its shareholders of over 750%. Our aim is to continue delivering strong growth to shareholders and we believe that a combination of Kingsgate and Andean represents a compelling opportunity for the shareholders of both companies to maximise the return from their investment."

A copy of the Bidder's Statement as sent to Andean shareholders is attached. The Bidder's Statement will also be available on Kingsgate's website (www.kingsgate.com.au).

Benefits for Andean shareholders

The Bidder's Statement sets out full details of the Offer and also outlines a number of compelling reasons why Kingsgate believes Andean shareholders should accept the Offer, including:

- Based on the closing price of Kingsgate shares on 21 February 2006 (the day prior to announcement of the Offer) the offer represented an attractive 22% premium over the closing price of Andean shares on the same date. The implied value of the offer at this date of \$0.391 was higher than any price at which Andean shares had traded since Andean acquired an interest in the Cerro Negro project in January 2004;
- Kingsgate, through its technical expertise, financial strength, commercial experience and proven track record, is well placed to accelerate the exploration and potential development of Andean's Cerro Negro project in Argentina and ensure maximum value is delivered to all shareholders in the shortest possible timeframe;
- Andean shareholders have the opportunity to become a shareholder in a larger, well financed company and participate in future dividends on Kingsgate shares;
- The combination of the assets of Kingsgate and Andean will potentially improve the investment risk profile of Andean shareholders' current investment, by diversifying their gold exposure to a company which has a portfolio of assets including an operating mine in Thailand generating strong cashflows as well as a number of highly attractive exploration prospects.

Andean shareholders are encouraged to read Kingsgate's Bidder's Statement for further detail in relation to these benefits as well as how to accept the Kingsgate Offer.

Key dates

The key dates for the offer are as follows:

Date of Offer	14 March 2006
Closing Date of Offer*	7.00pm (Sydney time) on 21 April 2006

* This date may change as permitted by the Australian Corporations Act 2001 (Cth).

Broker handling fees

Kingsgate will pay a commission to member organisations of ASX and members of the Financial Planning Association (**Brokers**) who solicit acceptances of the Offer in respect of parcels of Andean Shares held by clients who are retail Andean Shareholders. A retail Andean Shareholder is one who is not a Broker or an associate of a Broker and who held less than 100,000 Andean Shares as at 8.00am on 22 February 2006.

Commission payments will be 0.75% of the value of the consideration payable for parcels of Andean Shares held by retail Andean Shareholders who accept the Offer, and will be subject to a minimum payment of \$50 and a maximum payment of \$750 for each acceptance.

The commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

Kingsgate reserves the right to aggregate any acceptances in determining the commission fee payable to any Broker if Kingsgate believes that a party has structured holdings of Andean Shares to take advantage of the commission payments.

Further details in relation to the broker handling fee are outlined in section 8.7 of the Bidder's Statement.

Shareholder Information Line

Andean shareholders seeking further information about the Offer, how to accept and other frequently asked questions should read the Bidder's Statement sent to them on 14 March 2006 or contact the Shareholder Information Line on 1300 760 949 (toll free from Australia) or +61 3 9415 4247 (from overseas).

For further information contact:

Kingsgate Offer

Shareholder Information Line

From Australia (toll free) 1300 760 949

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