



18 September 2006

Dear Shareholder

CAPITAL RETURN OF 10 CENTS PER SHARE

On 30 August 2006, the directors of GRD Limited announced their recommendation to make a capital return of 10 cents per fully paid ordinary share.

The purpose of the capital return is to distribute surplus capital to shareholders following the sale of GRD's residual holding of 6.9% of the issued ordinary shares in Oceana Gold Limited. The proposed capital return will not result in the cancellation of any shareholders' shares or the dilution of any shareholders' shareholding in the Company.

The Company's current cash reserves and forecast future earnings means that it is able to undertake the capital return without adversely affecting its financial flexibility and ability to fund future growth and dividend payments. GRD Limited continues to evaluate a range of investment opportunities and remains committed to pursuing growth while maximising returns to shareholders.

The capital return is subject to shareholder approval.

A Notice of Meeting to approve the capital return is enclosed, together with an explanatory statement. The meeting to approve the capital return is to be held at the Conference Room, Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on Friday, 20 October 2006 at 10.00 am.

Your directors recommend you vote in favour of the resolution for the reasons set out in the explanatory statement.

If you are unable to attend the meeting, you are encouraged to return your completed proxy form in the enclosed reply paid envelope as soon as possible.

Yours sincerely
GRD Limited

A handwritten signature in black ink, appearing to read 'Peter Bryant', written over a light blue grid background.

PETER BRYANT
Company Secretary