

17 May 2007

FOR IMMEDIATE RELEASE

Company Announcements Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/ Madam,

Please see attached announcement from COLORADO.

Yours sincerely
Colorado group ltd



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**Takeover Bid by ARH Investments (Australia) Pty Limited (ARH) for
Colorado Group Ltd**

Colorado Group Ltd (**Colorado**) advises that ARH today lodged its Bidder's Statement with the company and ASIC in relation to its proposed takeover bid for all of the outstanding shares in Colorado at a price of \$6.20 per Colorado share (**Offer**). ARH currently holds 83.6% of shares in Colorado.

A committee of the Colorado Board, comprising the Chairman, Bob Dalziel, and the non-executive Independent Directors, Neil Osborne and Kathleen Farrell, has been formed to consider the Offer.

PricewaterhouseCoopers Securities Ltd has also been engaged to prepare an independent expert's report in relation to the Offer.

The recommendation of the Independent Directors in relation to the Offer, together with the independent expert's report, will be included in Colorado's Target's Statement, which will be released to the ASX and mailed to shareholders in due course.

Yours faithfully



Andrew Rodgers
Company Secretary

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