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26 August 2010

**THE MANAGER
COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

Dear Sir

**re : Hawthorn Resources Limited
QUOTED OPTIONS : ASX CODE "HAWOA"**

Hawthorn Resources Limited ("the Company") has on issue and quoted by the Exchange 13,716,713 September 2010 options which are due to expire on Wednesday 22 September 2010 unless otherwise exercised by the payment of the exercise price of \$1.25 an option.

In respect to the information required under paragraph 6.1 of Appendix 6A the Company advises:

- | | | |
|-----|-------------------------------------------------------------------------------------------|-----------------------------|
| (a) | Number of holders of options: | 104 holders |
| (b) | Number of unexercised options: | 13716,713 options |
| (c) | Exercise Price | \$1.25 each |
| (d) | Final date for payment/expiry date | Wednesday 22 September 2010 |
| (e) | All unexercised HAW options will expire on | Wednesday 22 September 2010 |
| (f) | Last date of quotation by ASX | Wednesday 15 September 2010 |
| (g) | Latest available market price for the Company's ordinary fully paid shares (code : HAW) | Refer attached table |
| (h) | Highest and lowest market price for the Company's ordinary fully paid shares (Code : HAW) | Refer attached table |
| (i) | The Company has only one class of quoted shares | Code HAW |
| (j) | No underwriting agreement | |

Given that the exercise price for each of the abovementioned options is \$1.25 and that the highest market price since 1 June 2010 for the Company's quoted ordinary fully paid shares has been \$0.008 on 25 August 2010 noted on the attached table, the Board of Directors advises that it considers the likelihood of option holders exercising their options to be too remote to justify the cost of issuing an Option Expiry Notice and that accordingly it does not intend to issue to option holders an Option Expiry Notice ("OEN"). The market VWAP for the 1 June to 25 August 2010 was \$0.006.

However, should the market price for the Company's ordinary shares ("HAW") exceed \$1.10 before 22 September 2010 an OEN will immediately be sent to option holders providing the information required in paragraph 6.1 of Appendix 6A.

Yours faithfully
Hawthorn Resources Limited

A handwritten signature in black ink, appearing to read 'Mourice Garbutt', written in a cursive style.

per Mourice Garbutt
Company Secretary
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HAWTHORN RESOURCES LIMITED

TABLE OF SHARE MARKET ACTIVITY

1st January, 2010 to 25th August, 2010

Date	Prices - cents				MarketVolume	MarketValue \$	VWAP \$
	Open	High	Low	Close			
					305,405,936	1,798,680.53	0.006
62	62	62	62	62	62	62	xxxxxxxxxxxx
1-Jun-10	0.70	0.70	0.60	0.60	823,056	5,038.34	0.006
2-Jun-10	0.60	0.60	0.60	0.60	800,000	4,800.00	0.006
3-Jun-10	0.00	0.00	0.00	0.60	-	-	#DIV/0!
4-Jun-10	0.60	0.60	0.60	0.60	1,120,285	6,721.71	0.006
7-Jun-10	0.60	0.60	0.50	0.60	15,832,676	93,737.88	0.006
8-Jun-10	0.50	0.50	0.50	0.50	100,000	500.00	0.005
9-Jun-10	0.50	0.60	0.50	0.60	622,099	3,210.50	0.005
10-Jun-10	0.50	0.50	0.50	0.50	1,125,600	5,628.00	0.005
11-Jun-10	0.60	0.60	0.50	0.50	3,184,041	18,849.05	0.006
14-Jun-10	0.00	0.00	0.00	0.50	-	-	#DIV/0!
15-Jun-10	0.50	0.50	0.50	0.50	270,280	1,351.40	0.005
16-Jun-10	0.50	0.50	0.50	0.50	1,332,300	6,661.50	0.005
17-Jun-10	0.50	0.50	0.50	0.50	340,000	1,700.00	0.005
18-Jun-10	0.50	0.50	0.50	0.50	1,149,873	5,749.37	0.005
21-Jun-10	0.50	0.50	0.50	0.50	507,260	2,536.30	0.005
22-Jun-10	0.50	0.50	0.50	0.50	4,183,700	20,918.50	0.005
23-Jun-10	0.50	0.60	0.50	0.60	4,926,667	25,933.34	0.005
24-Jun-10	0.50	0.50	0.50	0.50	60,000	300.00	0.005
25-Jun-10	0.50	0.50	0.50	0.50	25,307,010	126,535.05	0.005
28-Jun-10	0.40	0.50	0.40	0.50	1,850,613	8,452.45	0.005
29-Jun-10	0.50	0.50	0.40	0.40	1,971,428	8,185.71	0.004
30-Jun-10	0.40	0.50	0.40	0.40	6,968,730	28,054.92	0.004
1-Jul-10	0.40	0.50	0.40	0.50	11,055,000	46,675.00	0.004
2-Jul-10	0.60	0.60	0.50	0.50	37,033,277	201,943.22	0.005
5-Jul-10	0.50	0.50	0.50	0.50	2,977,288	14,886.44	0.005
6-Jul-10	0.50	0.50	0.50	0.50	400,000	2,000.00	0.005
7-Jul-10	0.50	0.50	0.50	0.50	1,614,500	8,072.50	0.005
8-Jul-10	0.50	0.50	0.50	0.50	800,000	4,000.00	0.005
9-Jul-10	0.50	0.50	0.50	0.50	930,000	4,650.00	0.005
12-Jul-10	0.50	0.50	0.50	0.50	3,161,504	15,807.52	0.005
13-Jul-10	0.50	0.50	0.50	0.50	3,758,496	18,792.48	0.005
14-Jul-10	0.50	0.50	0.50	0.50	1,589,000	7,945.00	0.005
15-Jul-10	0.50	0.50	0.50	0.50	2,034,169	10,170.85	0.005
16-Jul-10	0.50	0.50	0.50	0.50	2,500,000	12,500.00	0.005
19-Jul-10	0.50	0.50	0.50	0.50	2,198,000	10,990.00	0.005
20-Jul-10	0.00	0.00	0.00	0.50	-	-	#DIV/0!
21-Jul-10	0.60	0.60	0.60	0.60	335	2.01	0.006
22-Jul-10	0.50	0.50	0.50	0.50	547,187	2,735.94	0.005
23-Jul-10	0.50	0.50	0.40	0.50	2,297,187	11,438.75	0.005
26-Jul-10	0.50	0.50	0.50	0.50	2,200,000	11,000.00	0.005
27-Jul-10	0.50	0.50	0.50	0.50	1,463,243	7,316.22	0.005
28-Jul-10	0.60	0.60	0.50	0.50	1,520,000	7,900.00	0.005
29-Jul-10	0.50	0.50	0.50	0.50	500,000	2,500.00	0.005
30-Jul-10	0.50	0.50	0.50	0.50	4,700,000	23,500.00	0.005
2-Aug-10	0.50	0.50	0.50	0.50	1,550,000	7,750.00	0.005
3-Aug-10	0.50	0.50	0.50	0.50	1,222,200	6,111.00	0.005
4-Aug-10	0.50	0.50	0.50	0.50	250,000	1,250.00	0.005
5-Aug-10	0.50	0.50	0.50	0.50	1,118,157	5,590.79	0.005
6-Aug-10	0.60	0.70	0.60	0.60	44,635,963	269,879.11	0.006
9-Aug-10	0.60	0.60	0.50	0.60	7,497,808	44,886.85	0.006
10-Aug-10	0.60	0.60	0.50	0.50	565,000	3,325.00	0.006
11-Aug-10	0.60	0.60	0.60	0.60	5,600,713	33,604.28	0.006
12-Aug-10	0.60	0.60	0.60	0.60	4,699,287	28,195.72	0.006
13-Aug-10	0.60	0.60	0.60	0.60	3,916,000	23,496.00	0.006
16-Aug-10	0.60	0.60	0.60	0.60	3,676,380	22,058.28	0.006
17-Aug-10	0.60	0.60	0.60	0.60	4,574,806	27,448.84	0.006
18-Aug-10	0.60	0.60	0.60	0.60	2,770,000	16,620.00	0.006
19-Aug-10	0.70	0.70	0.70	0.70	1,008,000	7,056.00	0.007
20-Aug-10	0.60	0.70	0.60	0.70	15,337,315	106,561.21	0.007
23-Aug-10	0.60	0.60	0.60	0.60	60,000	360.00	0.006
24-Aug-10	0.60	0.60	0.60	0.60	230,155	1,380.93	0.006
25-Aug-10	0.70	0.80	0.70	0.80	50,939,348	393,416.62	0.008