



WINDY KNOB RESOURCES LIMITED

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Australian Stock Exchange
Companies Announcement Centre
20 Bond Street
Sydney NSW 2000

RIGHTS ISSUE

Windy Knob Resources Limited ('Windy Knob' or 'the Company') is pleased to announce a 1-for-1 pro-rata non-renounceable rights issue to shareholders, to raise a total of \$2.5 million (the Rights Issue) before costs.

The monies raised will be used to fund an aggressive exploration work program during 2008, focusing on the Company's highly prospective Titiribi Project (WKR earning 65%), located in Antioquia, northern Colombia.

The Rights Issue will be offered to existing shareholders on the basis of one (1) new share for every one (1) share held at the record date at an issue price of \$0.08 per share (Share) to raise approximately \$2.5m (before costs).

For every Share issued there will be granted for no additional consideration one (1) quoted option (WKRO), exercisable at \$0.20 each, with an expiry date of 30 December 2009 (Options).

Based on the Company's current issued capital the Rights Issue will result in 31,250,005 Shares and 31,250,005 Options (or part thereof) being issued.

Alto Capital (AFSL 279099) has been engaged as the manager to the offer.

Commenting on the Rights Issue, Windy Knob's Executive Director Mr Mathew Walker said: "We are very pleased to offer our shareholders the opportunity to participate in this capital raising as the Company enters a significant period of development."

"The funds raised will enable us to implement an aggressive exploration campaign on what we consider to be potentially company making targets." he added.

Further details of the issue including the timetable of the issue and the full terms and conditions of the Options will be detailed in a prospectus proposed to be lodged with ASIC on or about 23 May 2008.

Yours faithfully,

David Parker, Company Secretary

For further information please contact:

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