



23 November 2012

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(5 pages by email)

Dear Madam

BOWEN BASIN PROJECTS JORC RESOURCE AND INVENTORY COAL UPDATE

Highlights

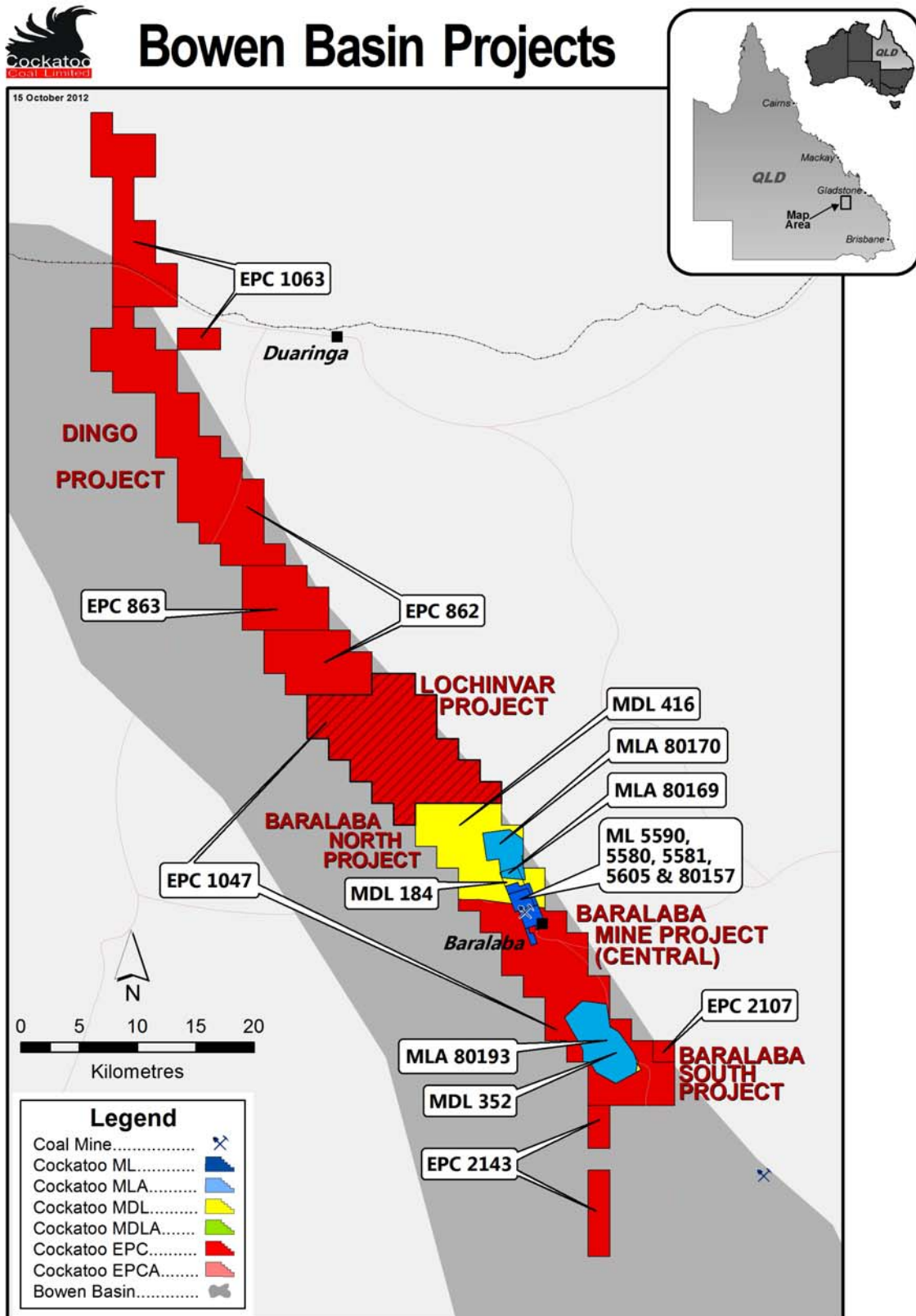
- JORC compliant Resources in the Bowen Basin projects now total 342 million tonnes ('Mt'), an increase of 64 Mt, or 23%, comprising:
 - Lochinvar project maiden Inferred Resource of 60 Mt; and
 - Lochinvar project maiden Indicated Resource of 4.0 Mt.
- An additional 44 Mt of Inventory coal has also been delineated within the Lochinvar project (EPC 1047).
- Core and open hole drilling for raw quality, geotechnical, fugitive gas and structural data continues at the Baralaba South project (MDL 352), Baralaba North project (MLA 80170) and the northern extension of the Baralaba mine project (MLA 80169).
- Open and core hole drilling for raw coal quality and structural data at Lochinvar, in concert with targeted pre-production drilling for the Baralaba Expansion project, is planned for early 2012.
- Exploration potential remains open.

The Bowen Basin projects

The Company's Bowen Basin projects comprise:

- MLs 5580, 5581, 5590, 5605 and 80157, MDL184 and MLA 80169 (Baralaba mine project), which are held by the Company's 62.5% owned subsidiary, Baralaba Coal Pty Limited;
- MDL 352, EPCs 1047, 2107 and 2143 to the south of Baralaba Township (Baralaba South project) and EPC 1047, MDL 416 and MLA 80170 to the north of the Baralaba mine (Baralaba North project) which are held by the Company's 80% owned subsidiary, Wonbindi Coal Pty Limited;
- EPC 1047 (Lochinvar project) which is held by the Company's 80% owned subsidiary, Wonbindi Coal Pty Limited; and
- The Dingo project comprising EPCs 862 (Dingo South), 863 (Middle Creek) and 1063 (Tryphinia) which are currently 30% owned by the Company's 100% owned subsidiary, Independent Coal Pty Limited and which are subject to a Joint Venture Farmout agreement.

The Company's Bowen Basin projects extend from the Dingo project in the north to the Baralaba South project in the south and have contiguous target areas covering an area of approximately 56,320 hectares with Permian age, Rangal Coal Measures sub-cropping over a strike length of approximately 92 kilometres. Production at the Baralaba mine has demonstrated that the seams of the Rangal Coal Measures in this area have PCI and thermal coal properties. The seams mined at the Baralaba mine have been intersected in the Baralaba South, Baralaba North and Lochinvar target areas. The Lochinvar project is the northern continuation of the Baralaba North project.



Bowen Basin project areas.

The geological modelling of the previously reported historical drill holes in the Lochinvar project area, delivering an additional 64 Mt of JORC Resources and 44 Mt of Inventory coal, provides further significant upside to a rapidly developing asset. The interpreted continuity of the Baralaba Coal Measures over a distance in excess of 20 kilometres to the north of the current Baralaba mine enhances the viability of the Company establishing itself as a major producer in the region. When coupled with the development plans for the Baralaba South project, as well as upgrades to existing infrastructure, the strong future for the region is underlined.

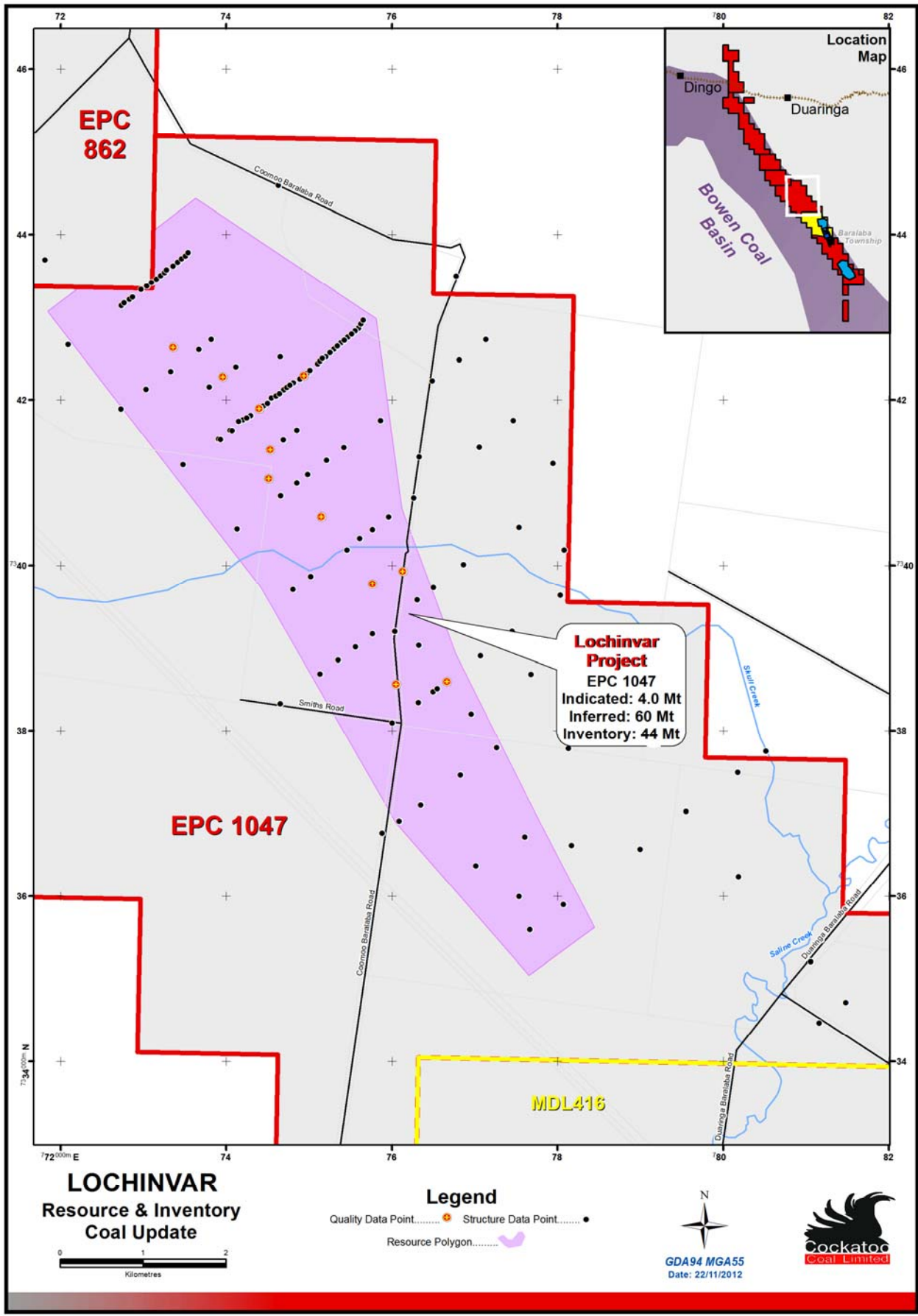
Since the last update, the Company has continued exploration and development drilling activities at full capacity. Six exploration rigs, carrying out open hole chip drilling and coal quality coring for raw coal were operating primarily in the Baralaba North project and the northern continuation of the Baralaba mine project area. Focus of operations was targeted at the Baralaba mine and Baralaba North project areas, moving the project towards readiness for the commencement of mining, with water monitoring bores, lox line, structural and coal quality drilling being undertaken.

The Company envisages future production from the Baralaba mine, Baralaba North and Baralaba South project areas, subject to rail and port upgrades, as a key step in the realisation of the Company's strategic goals.

A summary of the Company's Bowen Basin projects' currently defined and reported coal Reserves, Resources and Inventory coal, by project on a 100% basis, is as follows:

Project	Ownership (%)	Tenement	Depth of Resource (m)	JORC Classification					
				Reserves	Resources and Inventory				
				Marketable (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	JORC Total (Mt)	Inventory (Mt)
Baralaba mine	62.5	MLs 5605 and 80157	<200	1.2	4.7	8.4	4	17	0
	62.5	MDL 184 (MLA 80169)	<200	3.9	5.9	5.6	8	20	0
Baralaba North	80	MDL 416 (MLA 80170)	<200	10.4	8.4	9.6	32	50	0
Baralaba South	80	MDL 352 and EPC 1047	<200	37	35.5	17.2	114	166	0
	80	EPC 1047	<200	0	0	0	25	25	0
Lochinvar	80	EPC 1047	<175	0	0	4.0	60	64	44
Bowen Basin Total				52.5	54.5	44.8	243	342	44

The fault-bound structural domains are comprised of JORC Measured, Indicated and Inferred categories depending on the number of Points of Observation (drill holes) within each area and the probability of economically viable development. Drilling activities and coal quality analytical efforts have focused on the distinct structural domains and as such upgrades in the JORC Resource categories have occurred within these defined areas. Inventory coal tonnages are estimated based on drill holes that have been geologically and geophysically logged, with DGPS survey control of the drill collar. Inventory coal tonnages reported herein are not JORC compliant Resources.



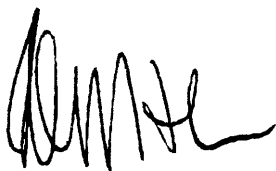
Lochinvar project JORC Resource and Inventory coal update and drill hole locations.

Statement of Compliance

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Oliver Holm is a full-time employee of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Oliver Holm has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, contact Andrew Lawson, Mark Lochtenberg or Peter Nightingale on (61-2) 9300 3333.

Yours faithfully

A handwritten signature in black ink, appearing to read 'PJN', with a stylized flourish at the end.

Peter J. Nightingale
Director

pjn6980