

Belvedere Hard Coking Coal Project – Receipt of A\$170m following settlement

Aquila Resources Limited (ASX:AQA "the Company" or "Aquila") refers to its previous announcements regarding completion of the option exercised by Vale Belvedere Pty Ltd, a wholly owned subsidiary of Vale S.A., to acquire the 24.5% Venture Interest in the Belvedere Coal Joint Venture held by BD Coal Pty Ltd, a wholly-owned subsidiary of Aquila.

The Company is pleased to confirm that settlement has taken place today and the Company has banked proceeds of A\$170 million (being A\$150 million for the purchase of the 24.5% Venture Interest and A\$20 million for settlement of all legal proceedings and disputes relating to Belvedere).

Following today's receipt, the Company has in excess of A\$600 million of cash available to progress the Company's various project interests, most notably the construction of the Eagle Downs Hard Coking Coal Project which is currently underway.

Tony Poli Executive Chairman

For further information regarding this announcement, please contact Tony Poli.

Telephone: (08) 9423 0111 Facsimile: (08) 9423 0133

Email address: mail@aquilaresources.com.au Visit us at: www.aquilaresources.com.au