

BGF Equities Coal Sector Analysis

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Coal Stocks Monthly Review

2010 Overview - Coal Industry positioned for a return to growth

Supply & Demand 2010

Thermal Coal - Global import coal demand levels in 2010 are expected to be similar to 2009 at around 700Mt, with real growth in volumes returning in 2011. While China is expected to remain an importer, higher international prices, consolidation and improving efficiency in its domestic industry may constrain volumes to around current levels of around 60-70Mtpa. India is where the real growth in demand is expected, with imports growing by perhaps an additional 80Mt by 2020. Germany and Turkey are also forecasting growth in imports. An initial tightness in supply may occur as producers move to ramp up to full capacity as demand accelerates.

Metallurgical Coal - In 2010 Global import volumes are expected to rise by 6% to around 220Mt, still well down on the 2008 peak volume of nearly 230Mt. Real growth in demand is expected to return in 2011 as the recovery in steel production in the North Asian economies and Europe strengthens. The major increase in imports are expected from China, India and Europe, with Korea and Taiwan contributing only moderate growth. Demand in Japan will recover to 2008 levels but little future growth is expected.

Price Outlook for 2010

Prices in 2010 are expected to rise in response to some tightness in supply, but without the volatility seen early in 2009 where contract prices spiked at record levels.

Contract thermal coal prices are expected to rebound in 2010 from the 2009 slump to around US\$85/t for Japan export coal from Newcastle. Newcastle spot prices are currently around US\$98/t.

Contract coking prices will rebound from the 2009 slump with headline prices for premium hard coking coals (HCC) likely to be above US\$150/t, semi-soft coals (SSC) at US\$110/t and pulverised coal injection coals (PCI) at around US\$100/t.

Infrastructure

Improvements in infrastructure will continue to de-bottleneck the system in both New South Wales and Queensland, but major upgrades in port capacity will not be available before 2011. The Abbots Point, NCIG and Wiggins Island Coal terminal projects and expansions are the key to stepping up export volumes and allowing new entrants into the export market.

Mergers & Acquisitions

In 2010, consolidation is expected, with the larger coal companies with strong balance sheets looking at acquisitions. Asset prices are down from the peak 2008 levels offset by a stronger Australian Dollar. Some of the advanced explorers and small producers with defined resources will be viewed as cheap assets to companies taking the long view. The flow of money from China, Japan, South Korea and India will increase as coal consumer companies move further upstream to de-risk supply.

Preferred Small Cap Stocks

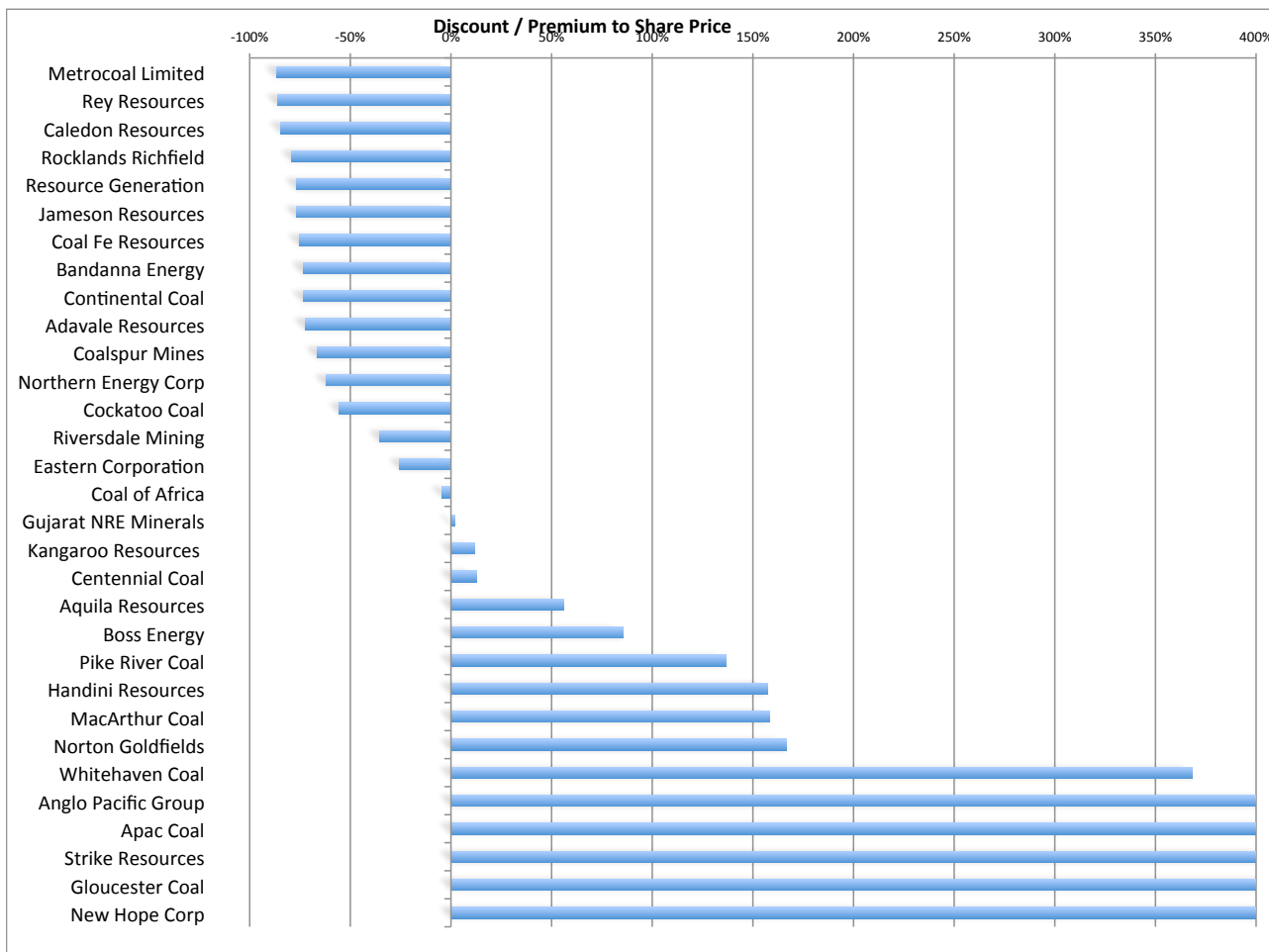
Discount to valuation is only one measure of value with stocks selected on such criteria as management and resources, coal marketability, project plans and access to transport infrastructure.

Company	ASX	Share Price	Asset Valuation	Discount (Premium)	Share Price Move
		29/01/10		to Valuation	Since 31/12/09
Bandanna Energy	BND	\$0.62	\$2.34	-74%	15%
Jameson Resources	JAL	\$0.33	\$1.39	-76%	16%
Northern Energy	NEC	\$1.29	\$3.41	-62%	0%
Caledon Resources	CCD	\$0.72	\$4.71	-85%	-15%
Resource Generation	RES	\$0.40	\$1.70	-76%	-1%

Comparative Stock Valuations

Stocks can be valued according to a variety of methodologies, all of which have their pros and cons. To be useful, any chosen method needs to be consistent across all stocks. The stocks listed vary from early stage explorers through to mature larger cap producers. We have devised a simple method that ranks coal stocks according to nominal valuations on reserves and resources. Resources alone is no measure of success and the following table only identifies stocks trading at a discount to resource valuation and is biased towards exploration companies with blue sky potential.

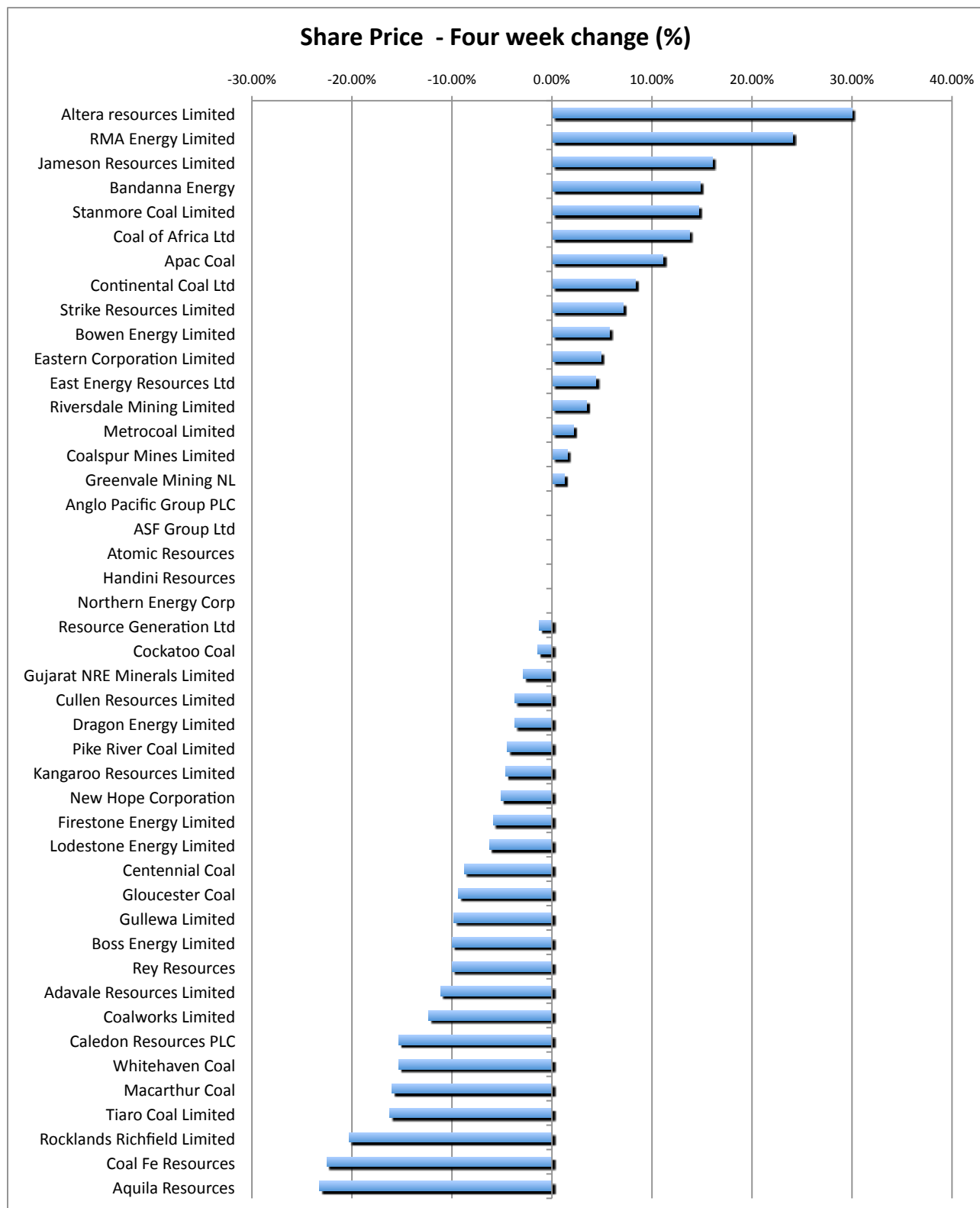
Share Price Discount or Premium to asset valuation



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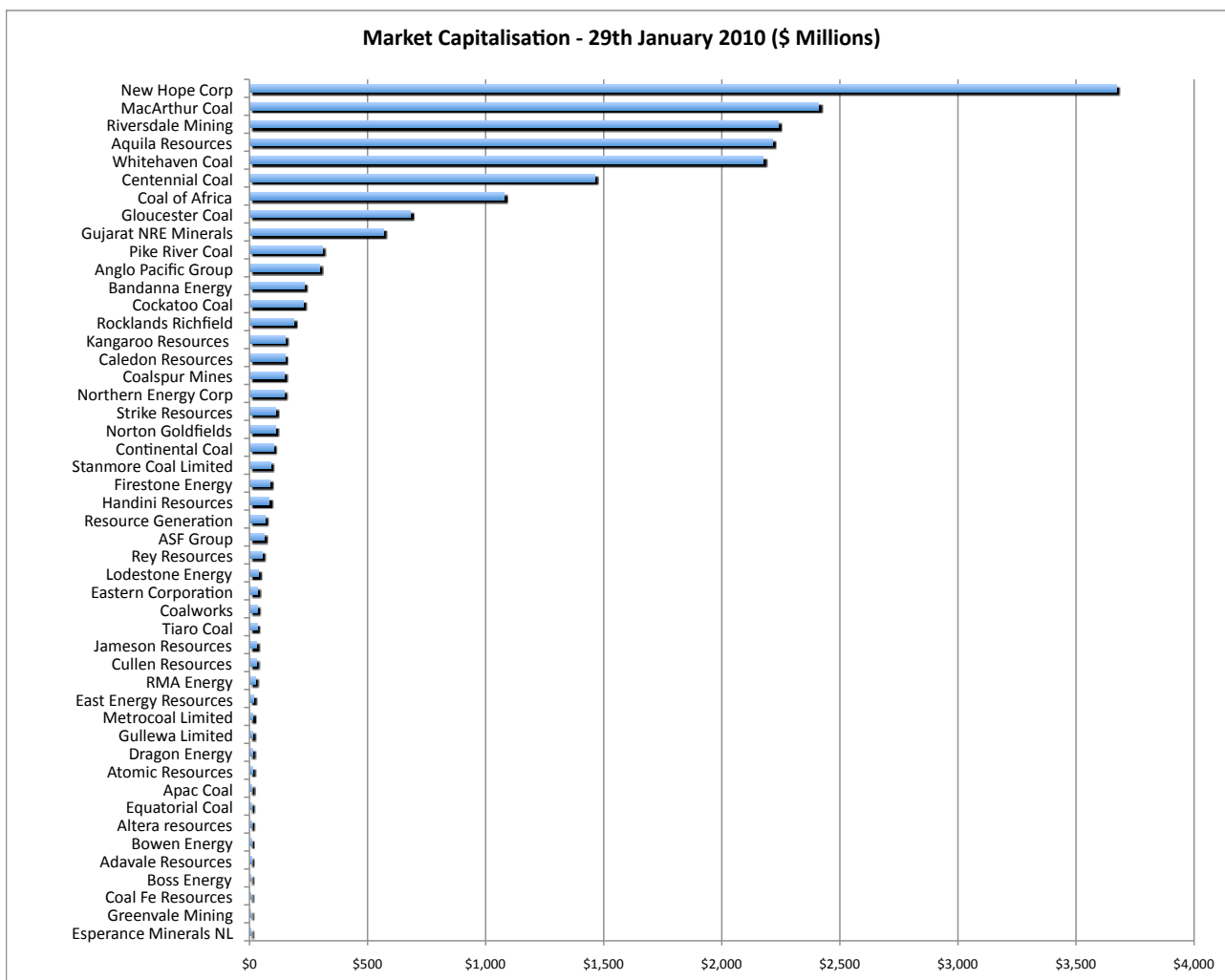
Share Price Movements

The following chart shows that some of the biggest four-week to 29 January 2010 price movers are the stocks reporting project milestones, positive exploration results or still have strong speculative appeal. Recent listings, **Stanmore** and **Metro Coal** are still market favourites. Stocks with an South African and Canadian focus did well, led by **Coal of Africa**, which entered production and **Jameson Resources** which improved its project parameters. **Bandanna**, moved in response to strong interest in its Galilee Basin Alpha Project but with low liquidity. The various companies subject to M&A action all came off, and Caledon announced it was not longer up for sale. Of the established producers, **Aquila**, **Macarthur Coal**, **Gloucester coal**, **Whitehaven Coal** and **Centennial** have all come off in price after strong runs.



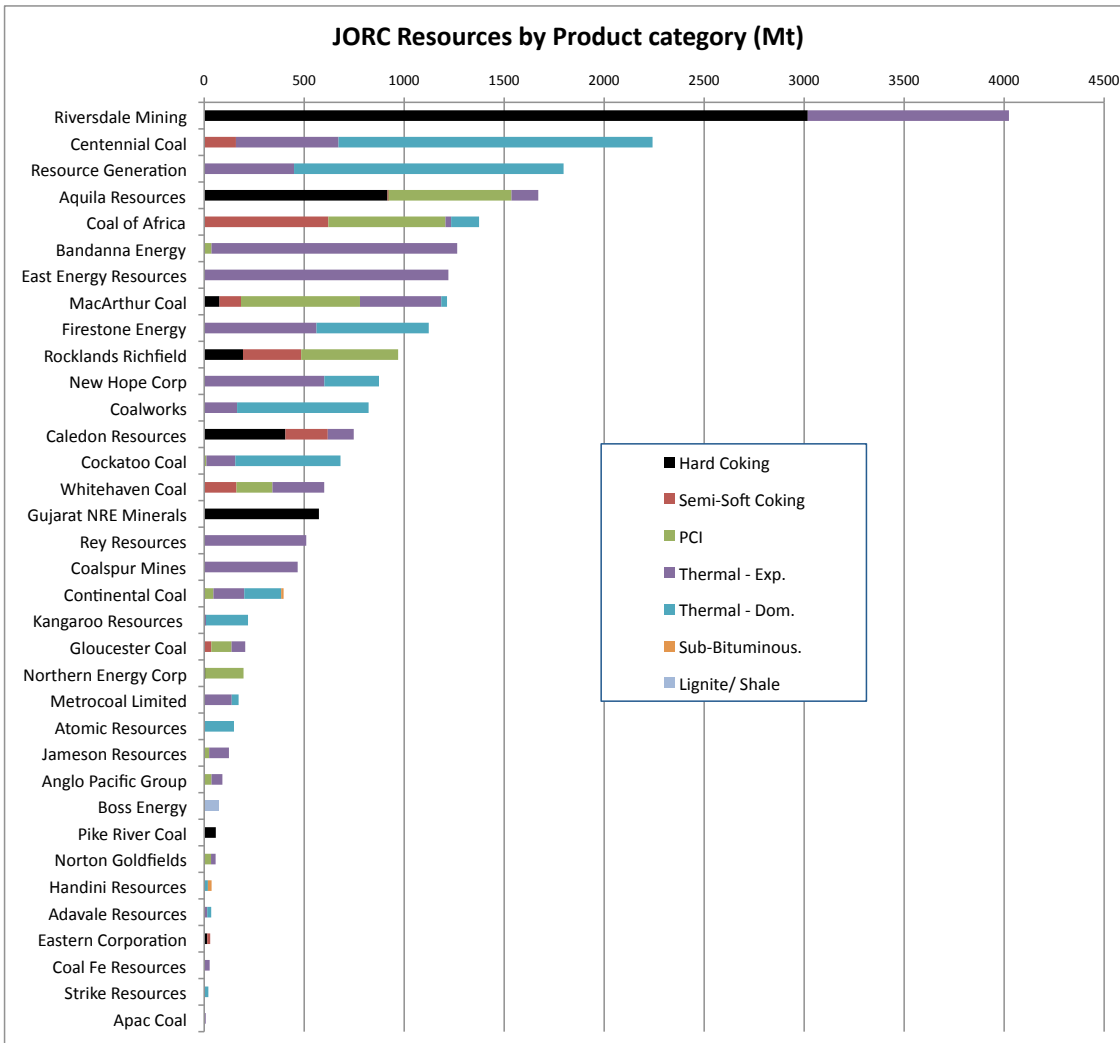
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Market Capitalisation

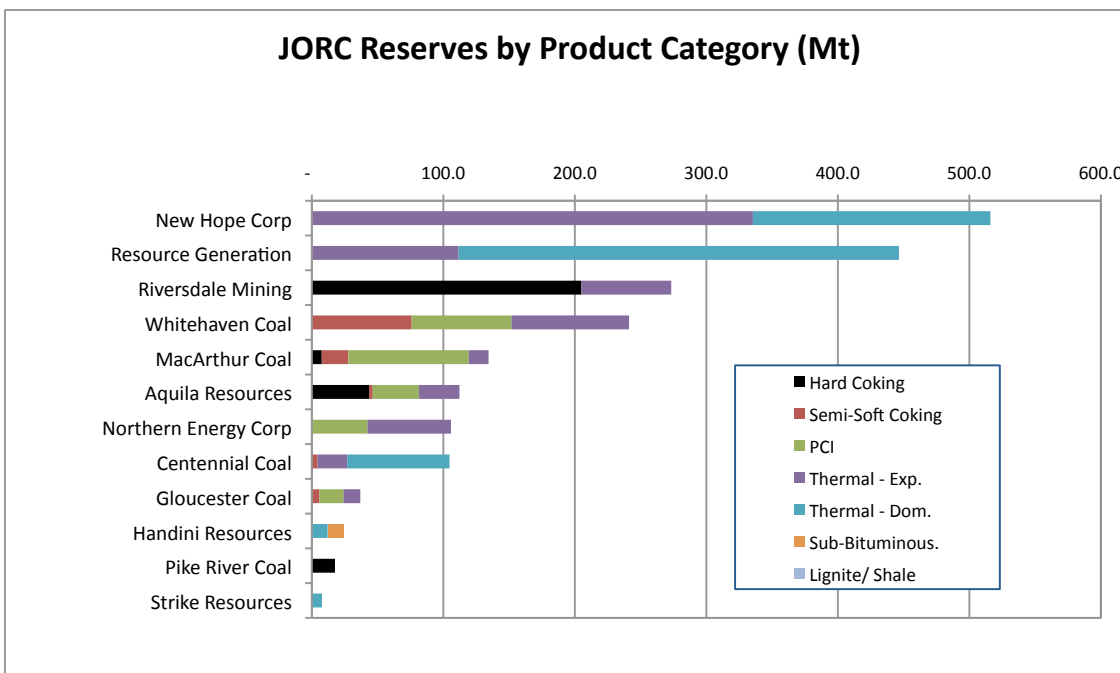


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JORC Resource - Measured, Indicated , Inferred by product



JORC Reserves - Proven & Probable by product



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Quick Comments

Adavale Resources Limited	ADD	Uranium and coal explorer now with Indonesian thermal coal focus. Company has JORC resource in Sumatra at the recently acquired Jambi and Tapan Projects. Expect to have Jambi project in production early with both domestic and export quality coals.
Altera resources Limited	AEA	Queensland based thermal coal focus. Early stage explorer awaiting grant of title to trigger exploration. Tenements not in premium coal areas.
Anglo Pacific Group PLC	AGP	Australian Coal and smelter royalties and Canadian thermal coal focus. Triple listing ASX/AIM/TSX. PLC now moving from pure royalty play to active exploration and project development. The Trefi Coal Project in Canada has a JORC compliant thermal coal resource and a proposal to develop an export thermal operation from a former export coal mining area. Long haulage distances, but its been profitably been done before when the price was right. Interest lies in whether the company will morph from royalties vehicle to proper mining company.
Apac Coal	AAL	Thermal Coal explorer in Indonesia. AAL has prospective ground with a small 5Mt JORC resource base. Probable future small producer selling sub-bituminous coal locally or into India. Longer term speculative stock.
Aquila Resources	AQA	Diversified coking coal producer and iron ore exploration company with a Queensland hard coking coal focus. AQA has the next best set of coking coal assets in Queensland to the majors. Large JORC coal resource base. In partnership with Vale and AMCI in a number of projects. Recent bonus issue triggered sell down but price has revived strongly. Still some headroom. Strong project pipeline. Quality stock.
ASF Group Ltd	AFA	Early stage thermal coal explorer in the Canning Basin, Western Australia. Recently negotiated an MOA with a Chinese Company for possible future off-take sales. The little drilling to date is not encouraging. Needs infrastructure for development but the more advanced plans of other Canning Basin neighbours such as Rey Resources may help carry the project forward and establish a new coal province.
Atomic Resources	ATQ	Tanzanian thermal coal focus. Coal/power project in Tanzania as 70/30 JV with Government. Higher risk but will probably succeed. recently negotiating domestic offtake agreements with local arm of global cement companies. Higher risk but positioned to become coal and power player in the energy hungry East African sphere.
Bandanna Energy	BND	Queensland thermal/PCI focus. Well situated with thermal/PCI coal, and conventional oil & gas assets in Bowen and Surat Basins. Strong experienced management and a large established resource base of over 1.2Billion tonnes of predominately thermal coal. Coal marketability, infrastructure and development approvals the only boxes to be ticked. Speculative, but looks like a quality stock. First Project in BFS stage. Alpha Project in Galilee Basin the company maker in the longer term but infrastructure hurdles to be overcome. WICET consortium member.
Blackcrest Resources Ltd	BCR	Formerly Reco Financial Services Limited soon to re-list as Blackcrest Resources. Very early stage explorer. No JORC resources. Little drilling. Indonesian thermal coal assets in Kalimantan the initial focus for exploration. Prospectus includes four prospects in East Kalimantan, with two approved for immediate mining. Preliminary sampling Coal is medium energy, very low ash and sulphur but high moisture thermal coals.
Boss Energy Limited	BOE	Tasmanian oil shale explorer. Single project company has a JORC resource at a previously commercially mined deposit, but long term prospects of this stock are dependent on a favourable outlook for the economics of oil shale.
Bowen Energy Limited	BWN	Queensland based coal and uranium explorer. Projects are at early exploration stage but ground is prospective and approach is sound. Subject to on-market takeover by Bhushan Group.
Caledon Resources PLC	CCD	Coking and thermal coal producer with proven resources, a difficult operation at the Cook Colliery, and a planned new hard coking coal operation at the adjacent Minyango prospect. The stock is looking much much better value now the company is no longer up for sale. The new Argo pit bottom access has improved efficiencies at Cook and more can now be expected of this company in the medium term.

Centennial Coal	CEY	<p>Very experienced operator with extensive reserves and a large portfolio of thermal coal projects in NSW. Provides 47% of coal used for power generation in NSW but has limited access to export markets in short term. Very experienced operator with strong management and technical knowhow, with a large portfolio of established mines and thermal coal assets with 52% of revenue from domestic sales.</p> <p>Company now moving to an export focus with new mines and redirection of production, but constrained by available port capacity after losing court case to XStrata, ie, 4 Mtpa 2009, 5 Mtpa 2010 - no major lift in exports before new port capacity available in 2015. Declining domestic coal markets and low margin mines will slow growth in the long term.</p>
Coal Fe Resources	CES	<p>Coal explorer in Indonesia with production expected from its Abadi Project expected late this year. No reserve statement to date, but has a portfolio of tenements with relatively simple access to production. Would require more information to inform any investment decision.</p>
Coal of Africa Ltd	CZA	<p>South Africa focus. Coking and steaming coal miner and explorer is developing four coal projects with the first mine now on line. Good reserves, cash and an agreement with ArcelorMittel makes CZA a very promising stock with some export potential. Infrastructure the key. South African port and rail has weaknesses.</p>
Coalspur Mines Limited	CPL	<p>Canada focus. Large thermal coal resource 1100km from the coast. Canada has been successful in the past with its coal exports from these regions and currently about 6Mtpa is exported from this region.</p>
Coalworks Limited	CWK	<p>The large Oaklands NSW thermal coal reserve is a stranded resource, with long distance to port and generally lower quality thermal coal. Recent deal with American firm to UCG project seems the best option. Recent Vickery South lease acquisition in Gunnedah Basin provides the only blue sky. Recent drilling shows potential.</p>
Cockatoo Coal	COK	<p>Thermal/PCI coal focus. Purchase of the Baralaba coal mine has provided cash flow to enable progress on larger Surat and Bowen Basin projects. Extensive drilling program on Bowen South and Surat basin projects but are longer term propositions requiring rail and port infrastructure to proceed. Farm-in by Korean and Indonesian interests will accelerate growth, but it will take time and expanding markets to unlock the value in this stock.</p>
Continental Coal Ltd	CCC	<p>South Africa thermal coal focus with mines coming on line late 2009. Company is poised to enter production supplying coal to domestic power stations. Substantial resource base and well located to transport and infrastructure. Coal quality will probably preclude any entry into export markets.</p>
Cullen Resources Limited	CUL	<p>Diversified gold and metals explorer now with Canning Basin thermal coal focus. May piggy-back on success of Rey Resources. No drilling to date.</p>
Dragon Energy Limited	DLE	<p>Thermal coal focus in Clarence-Moreton and Surat Basins. Coal and iron group now has access to three granted Queensland coal tenements through a JV with exploration expected to commence in 2010.</p>
East Energy Resources Ltd	EER	<p>Thermal coal explorer, Queensland focus. Blackall project has a large billion tonne inferred resource but with little development potential in the near term. This is a microcap with a significant portfolio of exploration assets which places it well above most of the pack of speculative coal stocks.</p>
Eastern Corporation Limited	ECU	<p>Galilee Basin Coal Seam Gas is the current focus but ECU has operating thermal coal mines in New Zealand and exploration projects with significant hard coking coal potential. Coal projects are a better bet in the short term.</p>
Firestone Energy Limited	FSE	<p>South Africa thermal/PCI focus. Large resource in Waterberg Coalfield. Early project stage but lots of potential considering the large increase in domestic demand expected in South Africa.</p>
Gloucester Coal	GCL	<p>NSW Semi-hard coking/PCI focus. GCL have shown management and marketing savvy, in developing low cost and very profitable operations in the Gloucester Basin. The company is cashed up and looking to breakout.</p>

Greenvale Mining NL	GRV	Oil shale focus in Queensland. Subject to a moratorium until 2010. No recent exploration. Large resources in the Alpha, Lowmead and Nagoorin leases. Very long shot for compulsive gamblers.
Gujarat NRE Minerals Limited	GNM	Premium hard coking coal producer in the Illawarra region of New South Wales with access to Indian market through parent company and potentially high margin operations. Coal to be shipped unwashed but will minority shareholders see the full value of the coal?
Gullewa Limited	GUL	Early stage thermal coal explorer with Queensland focus. Extensive ground position. little exploration activity to date. Also has geothermal and minerals exploration interests.
Handini Resources	HDI	Indonesia thermal coal focus. Has signed MOU with local operator to mine on a royalty basis.
Jameson Resources Limited	JAL	Thermal coal explorer in Canada. Has developed resources and good rail and port capacity with short haulage distance. First mine into production in 2010 at reasonable margins. Exploration blue sky.
Kangaroo Resources Limited	KRL	Indonesia thermal coal focus. Solid ground position with multiple projects with first mine in production with domestic sales focus. Exploration upside, but location and infrastructure issues remain problematic.
Lodestone Energy Limited	LOD	Queensland coal and coal seam gas focus with gold-copper projects near Mount Morgan and Chillagoe. Due to the location, probably more prospective for CSG than for coal production. Recent drilling disappointing with no shallow open cut resources indicated.
Macarthur Coal	MCC	Company in process of turning around profits with quality semi-soft and PCI coking coal portfolio and expansions and new projects coming on line. The three way merger takeover with Gloucester/Donaldson will consolidate the Noble Groups interests and provide synergies with increased dominance of MCC in the LVPCI market.
Metro Coal	MTE	Thermal coal, Queensland focus. Recent float with portfolio of Surat and Clarence-Moreton Basin assets. Not high quality but will probably attract foreign investment interest.
New Hope Corporation	NHC	Tightly held stock with low cost thermal coal operations, a mountain of cash and a strategic share holding in Arrow Energy.
Northern Energy Corp	NEC	With a JORC resource, the company can move towards developing the Elimatta thermal and Colton hard coking coal mine in Queensland. This is small cap company with real plans, real resources, currently hindered by infrastructure constraints and capital. Possibly a 5 Mtpa producer within five years. This is a very undervalued stock.
Norton Goldfields	NGF	Gold miner with significant Queensland thermal/PCI coal assets in the Electra and Sienna projects. Interest lies in whether NGF will sell the coal assets to focus on core gold business. Sienna Project has JORC resource of 57Mt.
Pike River Coal Limited	PRC	Small NZ premium hard coking coal company with difficult project, but potentially high quality, high margin operation about to enter production 2Q 2010. Good infrastructure and ready markets should make this a winner when it gets over the teething problems.
Resource Generation Ltd	RES	Coal explorer in South Africa & Tasmania with large thermal reserve in the Waterberg Coalfield and management knowhow. Infrastructure the key. Project execution dependent on offtake detail with Eskom.
Rey Resources	REY	Canning Basin thermal coal explorer subject to recent hostile takeover by shareholder, Gujarat NRE. Coal type would be readily marketable in India with freight advantages over other producers. Project is feasible if transport can be fixed. Company has announced it now has port capacity. Expect further corporate activity. Canning Basin thermal coal pioneer with eye on Indian market. Project is feasible if transport can be fixed. Expect further corporate activity.

Riversdale Mining Limited	RIV	Coal miner and explorer with Zululand anthracite mine providing cash flow. The main play is the large capex Mozambique Benga project which has approval but is proceeding slowly. First production expected late 2010, but will be the company maker when development occurs.
RMA Energy Limited	RMT	Queensland thermal coal focus with diversified portfolio of minerals assets. Coal projects are not in premium areas but shallow coal is indicated at the Emerald Project. Takeover by the Chinese CREC Group is now nearing completion.
Rocklands Richfield Limited	RCI	Coking coal, Queensland focus. Owns China Coke and Chemicals and three coal project areas in Queensland. Company is positioning itself to become a coke producer until takeover bids by India's Jindal Group and China's Meijin Group.
Strike Resources Limited	SRK	Indonesian thermal coal focus with additional iron ore assets in Australia and South America. Berau coal project now at the approvals stage with JORC compliant resource and environmental approval.
Tiaro Coal Limited	TCM	Queensland based hard coking coal explorer in Maryborough Basin. Projects are at early exploration stage but China's Qinfra group has snapped up 23%. Exploring in similar terrain to Northern Energy.
Whitehaven Coal	WHC	Company is funding its strong growth trajectory through investment in the logistics chain and allowing farm-ins by potential off-take customers to underwrite capital cost of new projects. Low cost, high margin, export orientation with large semi-soft/PCI/export thermal reserve base and highly marketable products. Company has strong exploration footprint in emerging coal province which is now the focus of domestic and foreign coal majors such as BHP, Rio Tinto and Shenhua. Investment by Korean groups.

Recent News

Company	News / Event	Comment
Altera Resources Ltd (AEA)	Queensland Coal Project - Three EPC's Granted (25-11-09)	AEA has had three EPC's Granted over 950km2 in the Clarence-Moreton Basin south of Toowoomba. This early stage explorer has two applications in the Bowen basin at Moranbah and five in the Clarence-Moreton Basin. Exploration will be by a JV covering all 5,626km2 of its permitted area with Dragon Mining (DLE) earning up to 85% through exploration expenditure. Exploration will commence upon grant of 6 EPC's.
Anglo-Pacific Group PLC (AGP)	Announces a JORC resource estimate at Trefi Coal Project in Canada. (10-09-09)	AGP announced an initial JORC coal resource estimate of 90.95Mt at its Trefi Coal Project in northeast British Columbia, Canada. This included a Measured and Indicated Resource of 39.35 million tonnes. The Group is in the process of carrying out a scoping study on the Trefi resource in order to progress the project towards the Group's objective of earning a royalty entitlement and retaining a carried interest. AGP also owns a 7% royalty entitlement from the non-Crown land part of Kestrel and Crinum coking coal mines in Queensland. The Group owns a 1% smelter royalties over the Beverley Four Mile Uranium mine and various other shareholdings and royalty interests.
Apac Coal (AAL)	Resource estimate misreported as JORC compliant resource in Quarterly (9-11-09)	AAL have corrected its Quarterly Report stating a 18.1Mt inferred resource to just a 'resource estimate' but confirmed the prospectivity of their Kalimantan permits. AAL have a small JORC resource of 5.1Mt at its Tanah Grogot prospect.

Company	News / Event	Comment
Aquila Resources Ltd (AQA)	Eagle Downs Coking coal Project offered port capacity. (15-12-09) Washpool HCC Project applies for mining lease (09-12-09)	The \$977m Eagle Downs Hard Coking Coal Project has been offered 4Mtpa port capacity within the planned Abbott Point Coal Terminal X50 expansion, by North Queensland Bulk Ports Corporation subject to completion of take or pay contracts in Q1 2010. A mining lease application has been submitted for the Washpool Hard Coking Coal Project.
ASF Group Ltd (AFA)	Ellendale South Coal Project, Western Australia (30-11-09)	Recent drilling in the Canning Basin Permian Lightjack formation near Fitzroy Crossing, has yielded nine sub-bituminous coal intersections with coal thicknesses up to 1.5m. A new program is proposed for 2010, but the results to date have not been encouraging.
Atomic Resources Ltd (ATQ)	Recent Drilling at Ngaka reveals three new coal seams (02-12-09)	Recent drilling at Ngaka Project area in Tanzania has revealed three new seams with widths of 2.0, 5.7 and 4.4 metres in the first hole. This is consistent with previous drilling and provides a positive indication of the possibility of increasing resources beyond the 210Mt current JORC resource. The Ngaka Coal/power project in Tanzania is a 70/30 JV with the Tanzanian Government. ATQ are at an early stage but are positioned to become significant player in East African coal and power.
Bandanna Energy Limited (BND)	Wiggins Island Terminal receives the go-ahead. (16-12-2009) Bandanna unveil their Alpha thermal coal Project in the Galilee Basin (24-11-09)	The 70Mtpa Wiggins Island Coal Export Terminal (WICET) was given the green light with a financial close expected by July 2010 and initial port operations commencing in 2013. Alpha Project unveiled as a mega thermal coal operation exporting up to 16Mtpa of low ash thermal coals. Phase Three drilling about to commence with 75 holes over a 3 x 10km area to establish an initial 15 year JORC reserve estimate.
Blackcrest Resources Ltd (BCR)	Re-listing on 15 January 2010.	Formerly Reco Financial Services Limited soon to re-list as Blackcrest Resources. Indonesian thermal coal assets in Kalimantan the initial focus for exploration.
Boss Energy Limited (BOE)	Oil Shale technology review underway 22-10-09)	BOE is continuing its studies on extraction of up to 59 million barrels of oil from its Latrobe Oil Shale deposit in Tasmania. The deposit has been commercially mined in the past but the project is a long term at best.
Bowen Energy Limited (BWN)	Drilling on Katrina Prospect intersects deep coal. (29-10-09)	Subject to a on-market takeover by Bhushan Steel. Most recent drilling on the Katrina Prospect on EPC1045 east of Rolleston in Queensland. The drilling was disappointing with two narrow coal seams (<2.5m) intersected at between 370-520m depth.
Caledon Resources (PLC)	Board announced that the company is no longer for sale because of the positive attitude for coking coal. (08/12/09)	Coking and thermal coal producer with proven resources is now looking better value no longer up for sale. The company states the positive outlook for coking coal and its stronger production forecast offers the shareholders a better deal. Relocation of mining to the Argo pit bottom area at Cook Colliery is continuing and the Minyango Coking Coal Project is planned for 2013 production.
Centennial Coal (CEY)	Record production in September Quarter and new sales contract improve outlook for 2010.	Sales of 3.9Mt in the September quarter, and a 5Mt sales agreement with Taipower provide the basis of an improving outlook for 2010. The 1.6Mtpa Airlly colliery is on schedule and budget and is expected to provide additional export thermal coal capacity in 2010.
Coal Fe Resources (CES)	Abadi thermal coal mine in Kalimantan to enter production in 2010. (01/12/09)	Abadi Mine is expected to enter production Q1 2010 at annual rate of 900,000 tonnes. Development underway in JV with PT Toba Jaya as operator. CES will receive US\$3/t on coal sales.

Company	News / Event	Comment
Coal of Africa Ltd (CZA)	Black economic empowerment agreement now in place. (11-12-09) Announced share placement and acquisition of Nucoal from ZAR 650m. (04-11-09)	A Black Economic Empowerment (BEE) has been finalised with Firefly Investments giving the group 9.53% of CZA. The legislation requires BEE groups to hold 26% of mining companies by 2014. The acquisition of Nucoal will provide an additional 2.5Mtpa of production from the Woestalleen Colliery.
Coalspur Mines Limited (CPL)	Company acquires additional 16247 Ha of coal leases including the Coalspur Project area. (07/12/09)	The acquisition of coal leases to the south of the Hinton Leases increases the footprint to 246km ² . The new areas include substantial drilling associated with Denison's Coalspur Project providing the upside for additional resources.
Coalworks Limited (CWK)	Drilling update at Vickery South (14-01-10) Strategic alliance with Synthesis Energy Systems Inc. (NASDAQ:SYMX) to develop an Oaklands Coal-to-Liquids Plant. (02/12/09)	The 12 hole drilling program at Vickery South in the Gunnedah Basin included 4 cored holes. Coal was intercepted within 30m of collar in the first hole. No details to date. The prospect adjoins Whitehaven's Vickery lease to the north. SYMX have developed a plant in China producing syngas from high ash coal. The syngas is converted to methanol by another company. A feasibility study for the CTL Plant will be followed by a licence agreement including methanol to petrol technology.
Cockatoo Coal (COK)	Drilling updates for Baralaba, Surat Basin and Dingo JV (22-12-09)	Exploration at Baralaba mine (COK 62.5%) to prove up areas in the 3-5 year mine plan. Intercepts up to 18.3m were encountered with an average of 8.2m. Drilling at the Wonbindi Project included 64 holes for 9040m since last update with intercepts averaging 7.9m of coal. Drilling in the Tin Hut Area (EPC1278) in the Surat Basin intercepted coal up to 17.1m. 49 holes and 5,689m have been completed since the last update. An inferred resources of 50.4Mt has been defined. Recent drilling at the Dingo Project (COK 70%) include intercepts of 27m. 183 holes have been completed for 36,229m since previous update.
Continental Coal Ltd (CCC)	Eskom pre-qualification a step towards a possible sales agreement. (10/12/09)	CCC announced they have achieved pre-qualification to supply coal to Eskom from the Vlakvarkfontein Colliery currently under development. This is not a sales contract.
Cullen Resources Limited (CUL)	CUL Canning Basin drilling to commence upon grant of licence in mid 2010.	The Company has applied for exploration licences which cover ~250km strike kilometres of interpreted coal bearing Permian stratigraphy in the Canning Basin in Western Australia. Drilling to commence upon grant expected mid 2010. Government seismic surveys over the region will become available shortly. CUL also have iron and minerals projects.
Dragon Energy Limited (DLE)	Diversified coal and iron group now has three granted Queensland coal tenements. (25-11-09)	DLE to earn 85% interest in the Inglewood JV with Altera Resources by expenditure of \$3.5m over three years. The JV covers 10 applications an area of 5,626km ² in the Surat and Clarence-Moreton Basins. The JV will commence when six of the tenements have been granted, probably early in 2010.
East Energy Resources Ltd (EER)	Capella drilling complete and resource upgrade drilling commences at Blackall. (27-11-09)	Drilling proceeding on the northern end of the Blackall tenements to test potential and to upgrade inferred resource to JORC indicated resources in the southern part of the EPC1149 permit. A scoping study was carried out by Coffey Partners which indicated a large thermal coal resource suitable for power generation. A program of 16 drill holes was completed on the Capella Project in the September Quarter. No coal seams were intersected in holes drilled to depths between 100-150m.

Company	News / Event	Comment
Eastern Corporation Limited (ECU)	Drilling in Galilee the current focus but potential for hard coking coal in New Zealand mines and projects. (30-10-09)	Galilee Basin CSG is the current focus but ECU has thermal coal mines and exploration projects with hard coking coal potential in New Zealand. In 2008/09, the New Zealand operations returned a net profit of A\$0.99m compared with the previous year loss of A\$1.42m. Cascade coal mine - A drilling program consisting of four holes has been designed to commence in early 2010 in the Adams Block to further delineate the recoverable resource in that area. Takitimu coal mine - In September the mine completed its first full year of supply to Fonterra's dairy processing plant at Clandeboye. Exploration at the Whareatea West coking and thermal coal resource includes plans for further drilling in the next 12 months. Ohai/Orepuki - Exploration work included an 11 hole drilling program in an area immediately adjacent to the Takitimu mining permit. This program identified prospective deposits which may be incorporated into the resource base at Takitimu. ECU sold their 90% interest in the Broughton JV in Queensland to Resource Portfolio Partners.
Equatorial Coal Ltd (EQX)	Recent capital raising to underpin drilling in Indonesia (December 2009)	The recent capital raising will be used to continue exploration on the Indonesian tenements. Company is still pushing to settle legal wrangles over ownership of Alam Duta prospect. Mining was suspended in February 2009.
Esperance Minerals NL	Moratorium on oil shale in Queensland	Company continues with sampling, evaluation and native title matters despite the Queensland moratorium on oil shale development. The two year moratorium period expires in August 2010. the company has interests in the Alpha (50%), Lowmead (50%) and Nagoorin (25%) Prospects with Esperance Minerals and Queensland Energy Resources Ltd.
Firestone Energy Limited (FSE)	Initial Waterberg coal JORC resource of 1.33 Billion tonnes announced. (26-11-09)	Initial coal JORC resource of 1.33 Billion tonnes includes 97 Mt measured resource at the Smitspan farm, the surface rights of which were acquired recently. The total resource is estimated a 3.8 Bt as the Waterberg coals are interlaminated with shale, which mostly cannot be mined separately from the coal. Indicated coal resources of 499.6Mt and Inferred coal resources of 733.9Mt.
Gloucester Coal (GCL)	Gloucester receives takeover offer from Macarthur Coal (MCC) (22-12-09)	Macarthur Coal (MCC) has launched a takeover of Gloucester and affiliated non-listed company, Donaldson Coal. The deal if completed as stated, will consolidate the Noble Groups holdings in the three companies and the Middlemount Mine in Queensland. GCL recently outlined its expansion plans with production to increase to 3.5Mt by 2014 including 2Mt of semi-hard coking and PCI coal products. A new JORC Reserves target of 130 Mt to support mining operations to 2030 was outlined.
Greenvale Mining NL (GRV)	Company continues with sampling, evaluation and native title matters despite the moratorium on oil shale development. (29-10-09)	Company continues with sampling, evaluation and native title matters despite the Queensland moratorium on oil shale development. The two year moratorium period expires in August 2010. the company has interests in the Alpha (50%), Lowmead (25%) and Nagoorin (50%) Prospects with Esperance Minerals and Queensland Energy Resources Ltd.
Gujarat NRE Minerals Limited (GNM)	\$50 million cash raising to increase liquidity and fund production increase. (05-12-09)	GNM have raised \$50m (77m shares at \$0.65) to ramp up production to 6Mtpa by 2014-15. Longwall production has commenced at NRE Wongawilli and each colliery will ramp up to around 3Mtpa at full production. A tender for provision of a longwall system for NRE No.1 has been let.

Company	News / Event	Comment
Gullewa Limited (GUL)	GUL has acquired through its subsidiary M&CI, twelve coal exploration tenements in Queensland targeting coking, PCI and thermal coal. (27-11-09)	The exploration program will be focussed on twelve project areas in the Bowen, Mulgildie and Surat Basins, including the northern extensions near Townsville and the Laura Basin in far-north Queensland. Three tenements have been granted to date but little work has been carried out to date. The company has interests in minerals and a geothermal licence application in Tasmania.
Handini Resources (HDI)	MOU to carry out JV mining operation at Muara Bungo, Indonesia (15-12-09)	HDI have a MOU with PT Toba Jaya to formulate a JV to mine the Muara Bungo coal concession in Indonesia. The terms of the MOU are that Toba Jaya will provide the necessary capital, expertise and mining equipment and pay a royalty to HDI. The terms of the deal are yet to be agreed.
Jameson Resources Limited (JAL)	Feasibility Study for expanded Basin mine expected 1Q 2010. (11-12-09)	Basin mine expected to ramp up to 1Mtpa from the 0.5Mtpa startup pending the results of the feasibility study. Margins are expected to be US\$20/t with capex of \$20m.
Kangaroo Resources Limited (KRL)	Report that GPK Coal Project is on track to produce first coal late December 2009. (14-12-09)	Pre-stripping, roadworks and barge loading facilities are under construction. An off-take contract for the initial three months production has been finalised with local Kalimantan power producers. The initial mining rate is 0.3 Mtpa.
Lodestone Energy Limited (LOD)	December Quarterly - Lodestone commenced drilling on its Tambo Coal Project. (15/01/10)	In December, commenced drilling first of three holes on its Tambo Coal Project. Delayed by rain and expected to recommence in late January. Drilling on the Moreton Thermal Coal Project (EPC1299, 1302, 1313, 1524) Walloon Coal Measures intersected but not encouraging. No open cut potential.
Macarthur Coal (MCC)	Higher profit forecast for H12010 with return to full production. (15-11-10)	Macarthur Coal (MCC) has launched a takeover of Gloucester and affiliated non-listed company, Donaldson Coal. The deal if completed as stated, will consolidate the Noble Groups holdings in the three companies and the Middlemount Mine in Queensland. MCC have revised first half guidance higher with H1 2010 profit in \$37-42m range on sales of 2.8Mt. H2 sales are expected to be lower with 4.8-5.0 Mt for full year. The company reported a record FY2009 profit of \$168m on the back of higher sales (3.9Mt) and cash costs down by 16.6% (\$77.60/t) in the second half. The company is well placed to expand production.
Metrocoal Limited (MTE)	New float with thermal coal exploration focus in Surat and Bowen Basins. (04-12-09)	MetroCoal holds coal exploration tenements covering 4,000km ² in the Surat Basin. These tenements are mostly deeper resources not amenable to open cut mining, and lying down dip of well defined resources such as Wandoan, Elimatta, Cameby Downs and Worri. The company has expressed interest in UCG projects.
New Hope Corporation (NHC)	First quarter profit up 11% to \$58.9m on the back of a 20% increase in sales.	The recent expansion at New Acland mine is complete and the mine is operating at its planned rate of 4.8Mt. The port expansion at Brisbane is due for completion in October 2010.
Northern Energy Corp (NEC)	Maryborough resource upgrade to 57Mt. (29-01-10)	NEC report a ten-fold increase in inferred resources to 57Mt to a depth of 100m at its Maryborough Hard Coking Coal Project (Colton). Three projects in the pipeline with the Colton hard coking coal at an advanced stage, and the Elimatta and Yamala thermal projects now under scrutiny. Shallow coal intersections have been reported at Ena Creek near Ashford in NSW.
Pike River Coal Limited (PRC)	First shipment to India due in February 2010. (22-01-10)	The first export shipment of 20,000 tonnes of premium hard coking coal is due for shipment in February 2010 to an Indian customer. The cargo has a value of approximately NZ\$3.4 million. Shipment is via Lyttelton on the east coast, about 272km by road and rail. The shipment is from development coal stockpiles with hydraulic production from the mine yet to commence. The mine has had many delays and only one shipment is scheduled for this quarter. Production will ramp up to one million tonnes per year.

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Company	News / Event	Comment
Resource Generation Ltd (RES)	Resource upgrade at Boikarabelo Project. (22-01-10)	RES has upgraded its resource for the Boikarabelo Project in the Waterberg Region of South Africa. The drilling results at Waterberg One JV and Ledjadja JV at Boikarabelo result in a probable saleable reserve of 603Mt, and indicated resource of 569Mt and inferred resource of 1736Mt.
Rey Resources (REY)	Pre-feasibility Study to be complete in January 2010. Takeover distractions soon to pass.	The pre-feasibility study on the Canning Basin is nearing completion in January 2010. and a new drilling campaign will be run concurrently with the Feasibility Study to follow. Company has a JORC resource of 511Mt and now has port capacity at Derby. REY still subject to a takeover bid by shareholder Gujarat NRE. The Fusedale takeover offer has now lapsed. REY has oil and gas, uranium and copper projects in Australia and Peru.
Riversdale Mining Limited (RIV)	Benga Project EIS given approval by Mozambican Government. Project can proceed. (11-01-10)	The approval of the Benga EIS is the green light for the project to proceed. The EIS approval is in respect of Riversdale's long term plan for a 20 million tonne per year coking and thermal coal project in Tete Providence, Mozambique. The stage 1 project is for 5.4Mtpa ROM capacity mine producing 2Mtpa of saleable coal commencing mid-2011.
RMA Energy Limited (RMT)	Proportional takeover by CREC approved by FIRB. (Nov 2009)	The Chinese group CREC have taken up 53% of the stock with the deal receiving FIRB approval. The company has three thermal coal projects in Queensland - Emerald, Moonie and Bulburrum.
Rocklands Richfield Limited (RCI)	Jindal has matched offer by Meijin in takeover battle. (04-01-10)	The Indian steel group Jindal have matched the offer of \$0.56/share posted by Chinese coke and chemicals group, Meijin. Both offers are preliminary proposals subject to due diligence.
Stanmore Coal Limited (SMR)	New listing has spectacular run on debut. (09-12-09) First drilling results OK. (18-12-09)	Stanmore doubled in price on the first day of listing and has performed strongly since. Early drilling in the Surat Basin is positive, with low ash, low sulphur thermal coal indicated at its The Range Prospect.
Strike Resources Limited (SRK)	Berau Project in Indonesia receives EIS approval. (13-01-10)	Strike's Berau Coal Project has received approval for its EIA. The approval clears the way for an application to be made for a Production Operations Permit.
Tiaro Coal Limited (TCM)	Qinfa agreement to further development of resources and provide offtake. (30-10-09)	Qinfa Group has entered into a strategic partnership to establish a JORC coking coal resource and provide offtake from future mining operations. The Tiaro Project is a hard coking coal play at an early exploration stage.
Whitehaven Coal (WHC)	The sale of 7.5% of Narrabri to Daewoo/Kores for \$125m is confirmed. (24-11-09)	The \$125m for a 7.5% stake values the Narrabri underground mine at \$1.67 billion. Daewoo will also have a sales option of 1.5 Mtpa of Korean specification coal or up to 25% of the coal production.

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