



22/08/2014

ASX Announcement

By Electronic Lodgement

Market Update – MDL385 Kingaroy Coal Quality

Moreton Resources Limited (MRV) is pleased to advise the market that the additional coal quality results have been returned from analysis with Bureau Veritas Australia Pty Ltd. These results are consistent with the previous results showing that the coal can be washed down to approximately 20% ash at around 75% recovery and that therefore our target ash of 28% is eminently achievable at higher recoveries. This is another positive step in the review of the Kingaroy Project and MRV proposes to engage an independent Engineering Consultant to review and determine the practical implications of the laboratory analyses.

As previously stated in our Mine Concept Study release dated 8 August 2014 the company continue to make approaches to potential partners that could benefit from this, including the appropriate levels of Government and potential future owners of the Tarong Power Generation assets. In saying this, MRV has received a letter from Stanwell Corporation Ltd's Senior Legal Counsel on 18 August 2014 stating (among other things) that *"in light of the coal resources already owned by Stanwell, there is no reasonable prospect of Moreton Resources selling coal to the Tarong or Tarong North Power Stations (regardless of their ownership) during their remaining operating life."*

Whilst the Company acknowledges this correspondence, including the assertion made in respect of a future owner, the Company will continue to consider and where appropriate advance its strategic agenda, having particular regard to the Queensland Government's agenda under "Stronger Choices" which we understand is seeking to minimise costs and maximise outcomes for Queenslanders.

Accordingly, based on the recent encouraging results from the increased JORC-Compliant Resource Estimate, Mine Concept Study and the coal laboratory test work, we will continue to investigate and review how best to progress the Kingaroy project.

Jason Elks

Chief Executive Officer

Moreton Resources Limited