

**Quarterly Activity Report  
Period ended 30 September 2014**

29 October 2014

The Company Announcements Office  
ASX Limited**Via E Lodgement****REPORT FOR THE QUARTER ENDED  
30 SEPTEMBER 2014**

Please find attached the Company's Quarterly Activities Report and Appendix 5B for the quarter ended 30 September 2014.

Yours faithfully  
**COAL FE RESOURCES LIMITED****Robert Swarbrick**  
Managing Director**About Coal Fe Resources Ltd**

Coal Fe Resources Coal Fe Resources Limited (Stock Code: CES), is a company listed on the Australia Securities Exchange (ASX), and was formed with the vision to be a reliable coal producer in the Republic of Indonesia.

The company has the capabilities to explore and exploit coal tenements encompassing the key stages of exploration, mine planning, infrastructure development and production.

**BOARD****Robert Swarbrick**, Managing Director**Ben Donovan**, Non-Executive Director**Faris Rahman**, Non-Executive Director**Moo Hean Chong**, Non-Executive Director**Ben Donovan**, Company Secretary**Key Projects**

90% shareholding in Pt Mineral Sukses Makmur

70% shareholding in PT Tunggal Putra Nusantara

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## **HIGHLIGHTS**

### **EXPLORATION AND DEVELOPMENT**

- No exploration was carried out in the quarter.
- During the quarter, the Company was entitled to a royalty of approximately \$33,000. It is awaiting payment of this royalty.

### **CORPORATE**

- During the quarter, Mr Julian Keng resigned from the board to pursue other opportunities.
- The Company wrote down the Abadi asset
- A notice of meeting was released

## **EXPLORATION**

Coal Fe Resources Limited undertook no exploration activity during the quarter due to coal prices remaining low.

The focus remains on acquiring deposits with high calorific values which will command higher prices and deliver greater returns to the shareholders.

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## **PLANNED ACTIVITIES – DECEMBER 2014 QUARTER**

Principal activities planned for the December 2014 quarter will comprise:

- Finalising the completion of the 90% shareholding in Pt Mineral Sukses Makmur
  - Finalising the completion of the 70% shareholding in PT Tunggal Putra Nusantara
  - Seek to recommence production on the above projects
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## **CORPORATE**

### **Asset Write Down**

During the quarter, the Company undertook a review of the existing assets.

The review comes following ongoing dialogue with the Company's auditors, and in the face of ongoing current weakness in the coal prices for the low grade Abadi project.

With the immediate forecast for the coal prices to remain suppressed, and with ongoing delays in payment of royalties by the Joint Venture partner, the board deemed it was prudent to write down the full value of the Abadi project.

Under the Joint Venture Agreement, the Joint Venture partner is required to remit the royalty payment to Coal Fe within five business days of the coal being sold. At present the payment of this royalty is being delayed.

While the asset has been impaired, the tenure of the Abadi project continues until 2024, where the Company hopes that production can resume should coal prices increase in the future.

The Royalty Agreement continues to operate unaffected by the impairment.

### **Notice of Meeting**

The Company released a notice of meeting to seek approval for the acquisition of a 90% shareholding in PT Mineral Sukses Makmur and a 70% shareholding in PT Tunggal Putra Nusantara, together with the issue of shares and options to various parties.

The acquisitions are aimed to position the company with access to potentially cash flow opportunities.

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+ See chapter 19 for defined terms.

Yours faithfully

**COAL FE RESOURCES LIMITED**

**Robert Swarbrick**  
Managing Director