

16th April 2009

Update on Activities of Indonesian Coal Project

PT SMG Consultants (“SMGC”) have completed their report in relation to the mining concession at Muara Teweh in Central Kalimantan over which AOM has mining rights via its 30% owned associate company, Asiatic Coal Pte Ltd (“ACPL”).

SMGC have advised that there is a total of 500,000 tonnes of inferred coal resource within the concession.

The reports notes that inferred coal resource has been calculated in accordance with the JORC code stating that:-

“... the area is affected by a large amount of tightly spaced fold and fault structures. Complex faulting and folding in the area has been observed in the field, in existing highwalls and in cross sections of drilling results. This structural complexity has resulted in the area only containing inferred JORC resources.”

The report notes that the coal quality at the concession can be summarised as high ash, high energy, low moisture and varying (moderate to high) sulphur.

It is uncertain if further exploration will result in the determination of any additional mineral resource in accordance with the JORC standard.

As a result of the SMGC report, AOM has renegotiated the original terms of the tenement acquisition such that the US\$15/tonne payment required for any resource calculated in accordance with the JORC code in excess of the original 1.5 million tonnes has been replaced with a tribute payment of a maximum of US\$15 per tonne, with the final amount payable dependent on market circumstances at the time of production.

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AOM's associate company, ACPL, have also negotiated terms for the sale of up to 41,000 tonnes of coal with an international commodities trader at US\$110 per tonne, although discussions were still ongoing regarding the timing of delivery. ACPL have advised that they are reviewing other sale opportunities in the market.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read "A. Bursill". The signature is fluid and cursive, with a prominent initial "A" and "B".

Andrew Bursill
Company Secretary

The information in this announcement is based on information compiled by Mark Manners who is a Member of the Australasian Institute of Mining and Metallurgy. Mark Manners 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.' Mark Manners consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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