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Contract at German Creek (Aquila) not Extended

Capcoal Pty Ltd, a subsidiary of Anglo Coal Australia Pty Ltd and operator of Aquila Colliery at German Creek, has advised that it will not take up the option to extend Bounty's current contract when it ends in March 2009. Capcoal advised that the downturn in the metallurgical coal market has caused the company to reduce its coal production requirements for 2009/10.

Bounty has been providing coal mining services to Aquila Colliery since December 2005 and currently has 50 employees and 46 contractors working at the site.

Bounty will complete mining out the current panel in March and will dismantle and remove equipment and infrastructure before leaving the site at the end of April.

Bounty's contract at the adjoining Bundoora colliery currently extends to May 2009 where Bounty provides services to develop underground roadways for Bundoora's longwall operations. Bounty is in discussion with Capcoal to extend this contract to May 2010.

Bounty is continuing discussions with other mine owners to provide its specialist thin seam and remnant coal recovery capability at other mine sites.

For further information, please contact:

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