



international resource
H O L D I N G S

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CLEAN GLOBAL ENERGY - LIBERTY RESOURCES HEADS OF AGREEMENT 1PJ - 50PJ PER ANNUM SYNGAS PILOT PLANT

Highlights

- **JV to construct 1PJ - 50PJ per annum Syngas Pilot Plant**
- **CGE to manage and operate JV retaining proprietary CRIP technology**
- **Strategic tenements identified (no overlap impediments)**

The Board of International Resource Holdings Limited ("**Company**") is pleased to announce that Clean Global Energy Pty Ltd ("**CGE**"), the company which IRH is currently in the process of acquiring, has entered into a binding Heads of Agreement ("**Agreement**") to earn an interest in tenements ("**Tenements**") currently subject to application by Liberty Resources Limited (ASX: LBY) ("**Liberty**") covering shallow and deep coal in the Surat, Galilee and Bowen Basins, potentially suitable for Underground Coal Gasification ("**UCG**") as well as conventional opencut and underground mining.

Following review of the Tenements, CGE will initially have the opportunity to earn up to a 60% interest in an agreed tenement by undertaking UCG exploration activities. Subject to regulatory approval, CGE will then construct a pilot plant on the tenement producing an equivalent of 1PJ per annum of syngas. Liberty will have a free-carried interest in the tenement.

Following successful production of syngas, Liberty and CGE will enter into a joint venture for construction of an expanded pilot plant producing 50PJ per annum of syngas. Liberty will have a 30% interest in the joint venture and CGE a 70% interest. The expansion of the pilot plant, in excess of 1PJ per annum will require Liberty contributing to the joint venture in accordance with its 30% interest.

Agreement Terms

CGE has agreed to expend the earn-in expenditure on the Tenements subject to all applications for coal exploration permits for the Tenements being granted.

Under the terms of the Agreement, earn-in expenditure includes amounts incurred for the discovery and delineation of commercial deposits of minerals and the evaluation of such deposits to determine possible sites for a pilot plant which produces an equivalent of 1PJ of energy in syngas at surface per annum.

Upon completion of the earn-in expenditure, CGE will be entitled to the following relevant interest in the Tenements (“**Interest**”):

- (a) Upon incurring a total \$250,000 of earn-in expenditure, CGE will be granted a total 20% Interest;
- (b) Upon incurring a total \$500,000 of earn-in expenditure, CGE will be granted a total 40% Interest; and
- (c) Upon incurring a total \$750,000 of earn-in expenditure CGE, will be granted a total 60% Interest.

Joint Venture

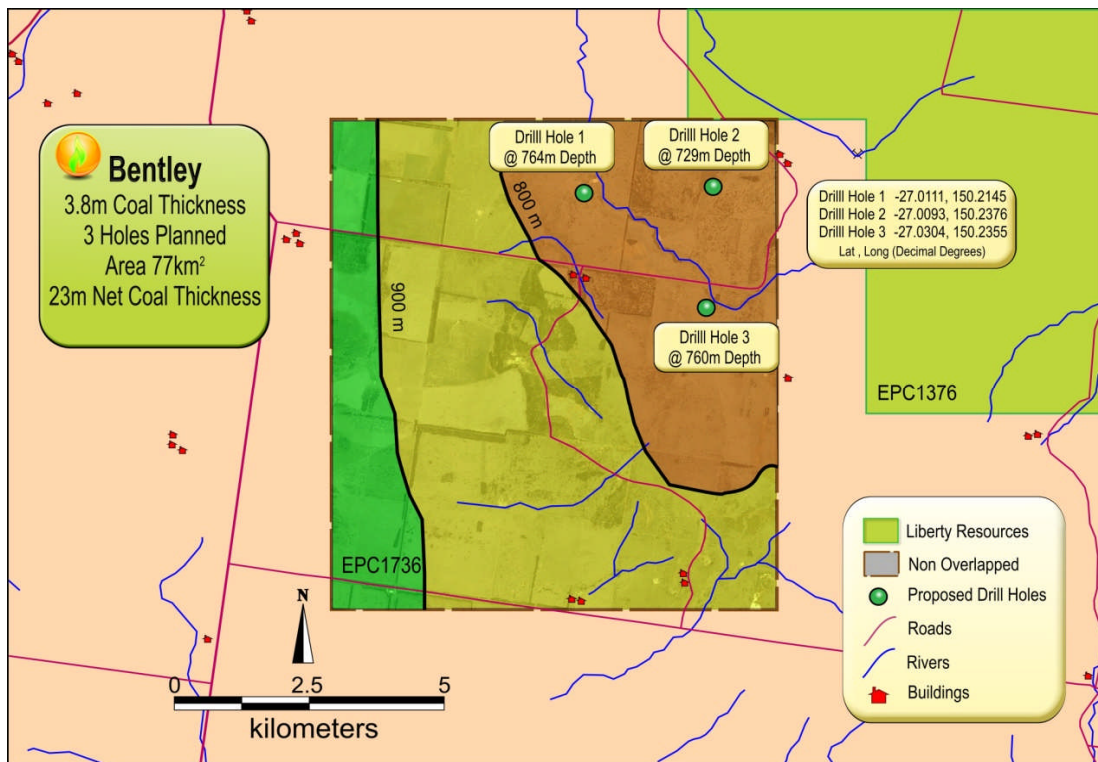
CGE and Liberty intend to enter into a joint venture arrangement (“**Arrangement**”) in relation to the construction and testing of the pilot plant which produces syngas at an equivalent rate of 1PJ energy per annum for a period of 30 days. Under the Arrangement, it is intended CGE is to own 70% and Liberty 30% of the joint venture.

The Tenements

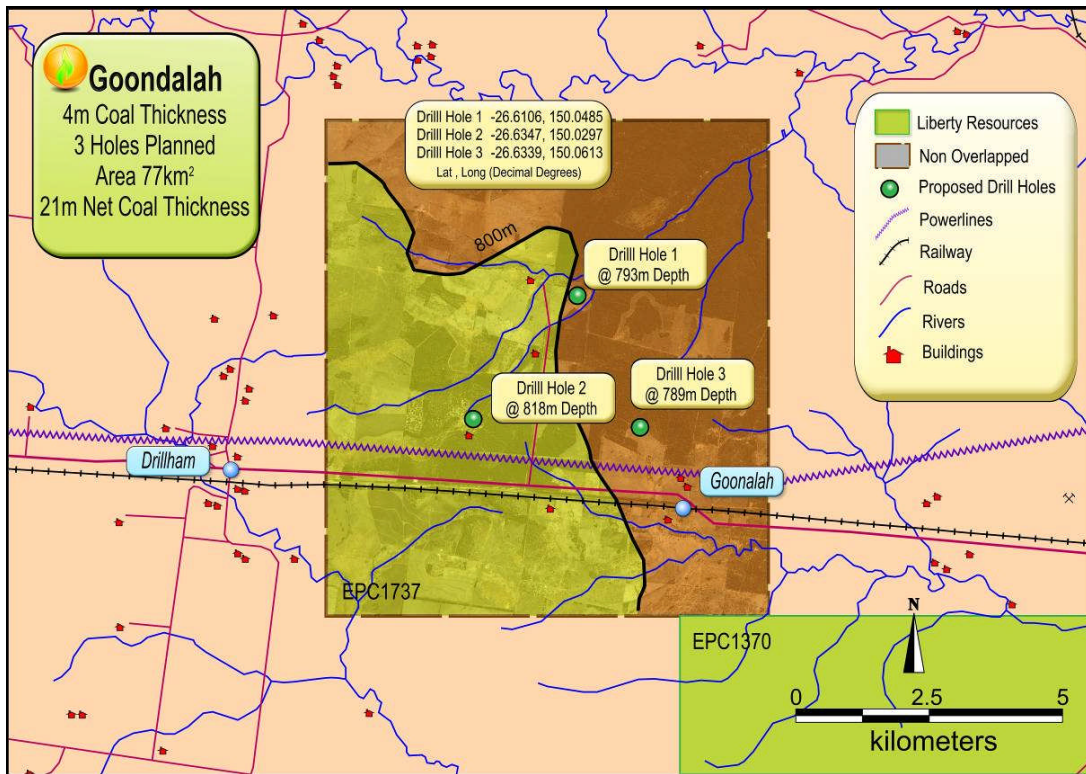
The Tenements referred to under the Agreement are to be used for the purpose of UCG process by CGE and are Exploration Permit Coal 1736 (Bentley) or 1735 (Goondalah) or other tenements that CGE and Liberty (“**the Parties**”) agree to in writing that are suitable for the UCG process.

The Bentley and Goondalah Tenements are located within the Surat Basins of Queensland. An estimated 4.2 billion tonnes of coal occurs within the shallow part of the Surat Basin (refer to <http://www.dme.qld.gov.au/mines/resources.cfm>) adjacent to the EPCA areas.

The Bentley area is a non overlapped tenement which consists of a 3.8m Coal Thickness covering an area of 77km² with an estimated 23m Net Coal Thickness. The area has 3 planned drilling holes at depths of ~ 760m.



The Goondalah area is a non overlapped tenement which consists of a 4m Coal Thickness covering an area of 77km² with an estimated 21m Net Coal Thickness. The area has 3 planned drilling holes at depths of ~ 790m.

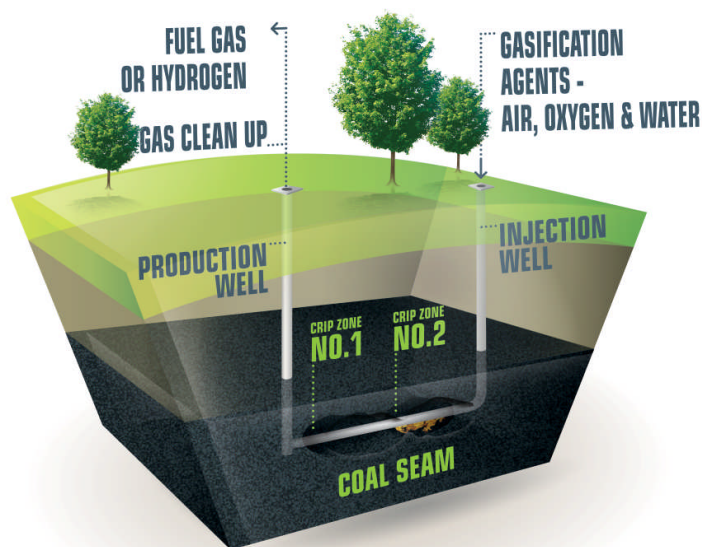


Data from well cores have indicated substantial coal targets suitable for underground coal gasification.

About CGE

CGE is positioning itself to become a major global alternate energy company through utilizing Underground Coal Gasification (“UCG”) to release untapped energy from coal that is typically uneconomical to mine through conventional processes.

UCG produces a low cost, high quality Syngas that can be used to make ultra clean diesel and other fuels, power and chemicals. The UCG process is far more environmentally friendly than any other form of mining. UCG has been in commercial operations for over 50 years.



CGE has an experienced board and management team with a proven commercial and technical track record in UCG and energy in both public and large private corporations. CGE has an established engineering and project management team ready that have experience in UCG, coal bed methane, mining and energy.

CGE's UCG technology uses an advance process known as Controlled Retractable Injection Points ("CRIP") which provides greater control and efficiency in the UCG process. The CRIP UCG process was successfully trialed in a €17m European trial in Spain which was headed by CGE's Technical Director, Dr. Michael Green. Dr Green has continued to advance the CRIP technology which he is currently implementing in commercial projects throughout the UK and Europe. Dr Green is a globally recognised leading authority on UCG.

About Liberty

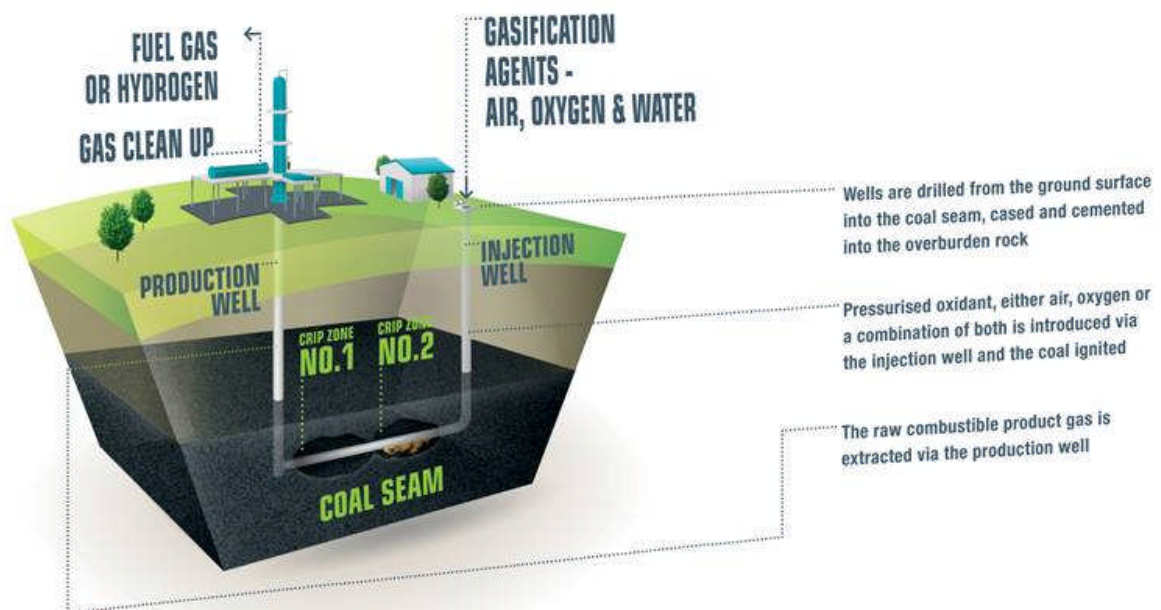
Liberty is working towards supplying affordable gas and power, and at the same time offering a unique opportunity to reduce Australia's level of CO² emissions.

Liberty has extensive tenements including those with coal at depths greater then 700m below the surface. Gasification (steaming) of deep coal seams create deep chambers suitable for storing CO². At depth CO² becomes a liquid - held securely by the Earth's pressure.

To create these chambers, Liberty intends to gasify the deep coal resource producing Syngas. Gasification (steaming) of coal can only successfully take place in a secure, geologically sealed chamber. The Syngas is composed predominately of Methane, Ethane, Hydrogen and CO², gases that can be used to generate low cost power and electricity with virtually no CO² emissions.

The CO² from the Syngas and electricity generation can be captured and returned safely into the deep, underground chambers.

About Underground Coal Gasification (UCG)



UCG converts coal into a product commonly known as Syngas without the need for mining. Gasification converts hydrocarbons into syngas at elevated pressures and temperatures and can be used to create many products including electric power, chemical feedstock, liquid fuels, and hydrogen gas.

Gasification provides numerous opportunities to reduce pollution as compared to more familiar industries, especially with respect to emissions of sulphur, nitrous oxides, and mercury. Otherwise un-mineable deep or thin coals are potentially valuable for UCG.

The UCG process has significant advantages over other methods of extracting energy from coal in that it allows coal to be processed underground, thus eliminating expensive mining operations and minimizing ground disturbance, in order to produce a low cost industrial gas. The gas can then be used in either power generation or in the further production of liquid petroleum products.

Comments from CGE

The Chairman and Managing Director of CGE, Mr. John Harkins said "The joint venture with Liberty Resources provides CGE with a unique opportunity to fast track the expansion of the total coal resources available to us in implementing our business plan, the key objective of which is to monetise the energy, i.e. Syngas, retrieved from those resources in the short to medium term." He went on to say "This JV occurring, as it does, close to the time of completion of our reverse merger with IRH can only represent added value to shareholders as the merged entity moves forward".

Acquisition of CGE

Completion under the CGE Acquisition Agreement is conditional upon receiving IRH shareholder approvals at a general meeting expected to be held in September 2009. A notice of meeting will be sent to IRH shareholders shortly providing further detailed information on the transactions.

The agreement between CGE and LBY is not conditional upon the Acquisition of CGE by IRH.

Yours faithfully,
International Resource Holdings Limited

Scott Douglas
Executive Director

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