



ABN 13 112 682 158

20 April 2010

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(6 pages by email)

Dear Madam

## **DINGO PROJECT DRILLING UPDATE**

### **Highlights**

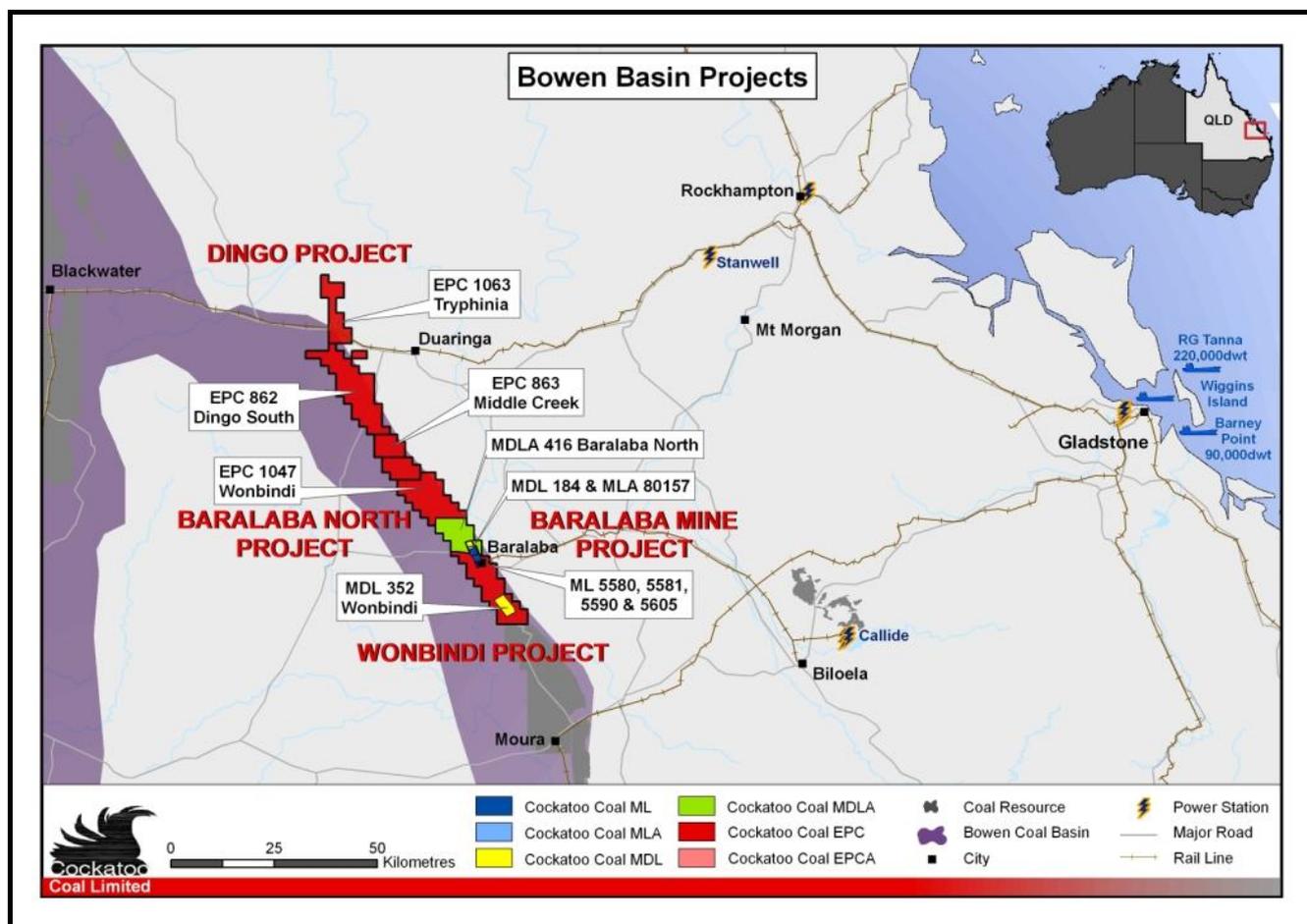
- Phase 2 of a targeted exploration drilling program continued prior to rain delays with 4 open hole drilling rigs and 1 large diameter core rig operating.
- The Pearl Creek target has been subject to further open hole exploration.
- One large diameter core hole has been completed, with another in progress.
- A total of 42 open holes and 1 large diameter cored hole, for 7,904 metres, have been drilled since the last update.
- A total of 641 holes for 111,298 metres have now been drilled in the Dingo project.
- Recent drilling in the Dingo project have cumulative down hole coal intercepts of up to 18.2 metres with average intercepts of 5.7 metres.

### **The Bowen Basin projects**

The Company's Bowen Basin projects comprise:

- MLs 5580, 5581, 5590 and 5605, MLA80157 and MDL184 (the Baralaba mine project), which are held by the Company's 62.5% owned subsidiary, Baralaba Coal Pty Limited;
- MDL 352 (Wonbindi) and EPC 1047 to the south of Baralaba Township (the Wonbindi project) and EPC 1047 and MDLA 416 to the north of the Baralaba mine (Baralaba North project) which are held by the Company's 80% owned subsidiary, Wonbindi Coal Pty Limited; and
- The Dingo project, comprising EPCs 862 (Dingo South), 863 (Middle Creek) and 1063 (Tryphinia) which are held by the Company's 100% owned subsidiary, Independent Coal Pty Limited and which are subject to a Joint Venture Farmout agreement.

The Dingo project is located at the northern extent of the Company's Bowen Basin projects, with targets in close proximity to road and rail infrastructure. The Bowen Basin projects have contiguous target areas covering an area of approximately 55,790 hectares with Permian age, Rangal Coal Measures sub-cropping over a strike length of more than 80 kilometres. Coal seams intersected in the Dingo project continue to demonstrate common geological and geophysical signatures to the mined Rangal Coal Measure seams at the Baralaba mine, where production has demonstrated that the seams have PCI and thermal coal properties.



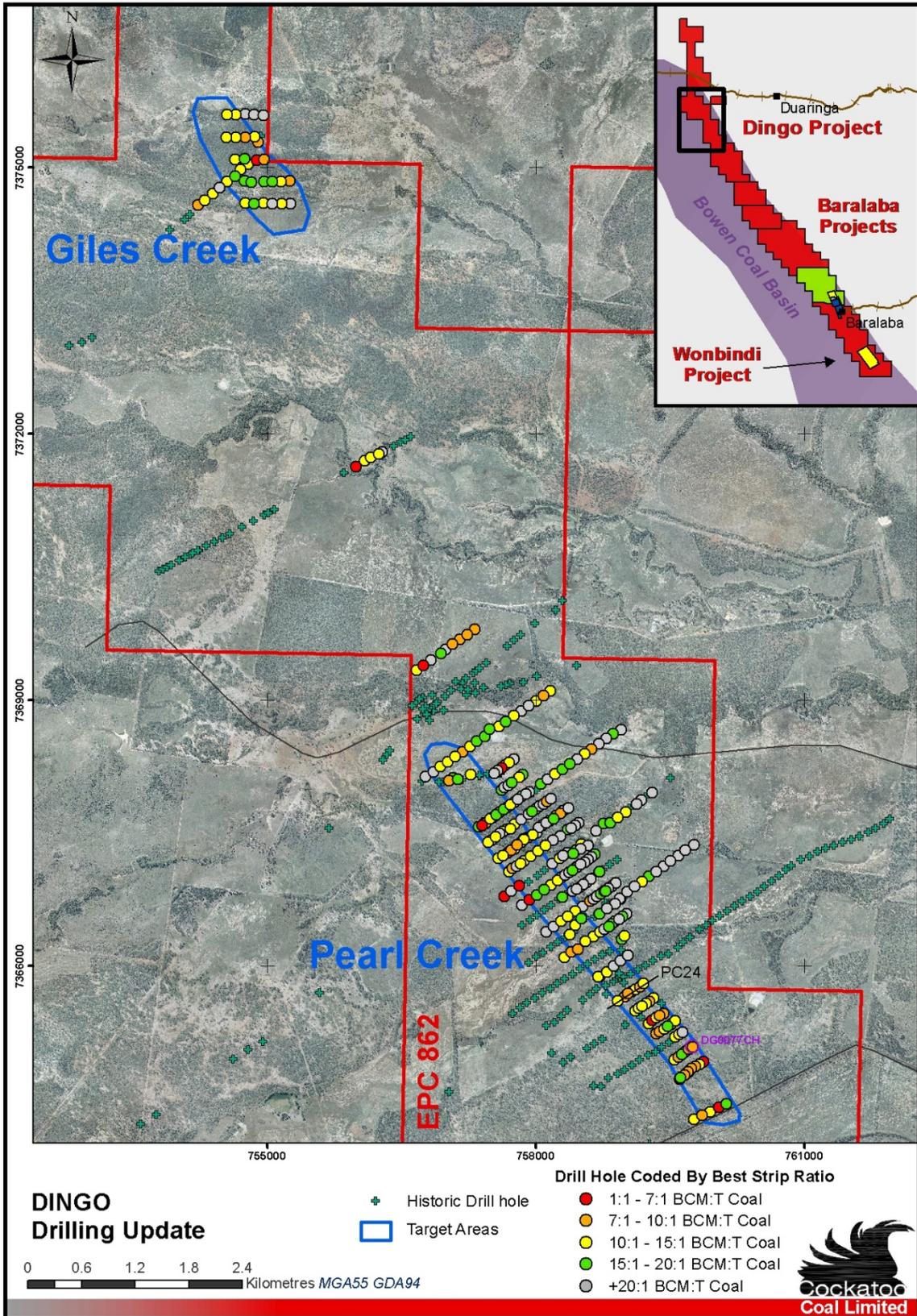
**Bowen Basin project areas.**

The Company is currently using 4 open hole drilling rigs and 1 large diameter core rig to systematically advance the geological understanding in the Dingo project. Core drilling of drill hole DG0077CH is underway, with successfully recovered coal samples to be dispatched shortly for detailed raw coal and washability analysis. The analytical results are expected to confirm similar PCI and thermal coal qualities to those seen in Baralaba mine (ML 5605), Baralaba North (MDLA 416) and Wonbindi (MDL 352).

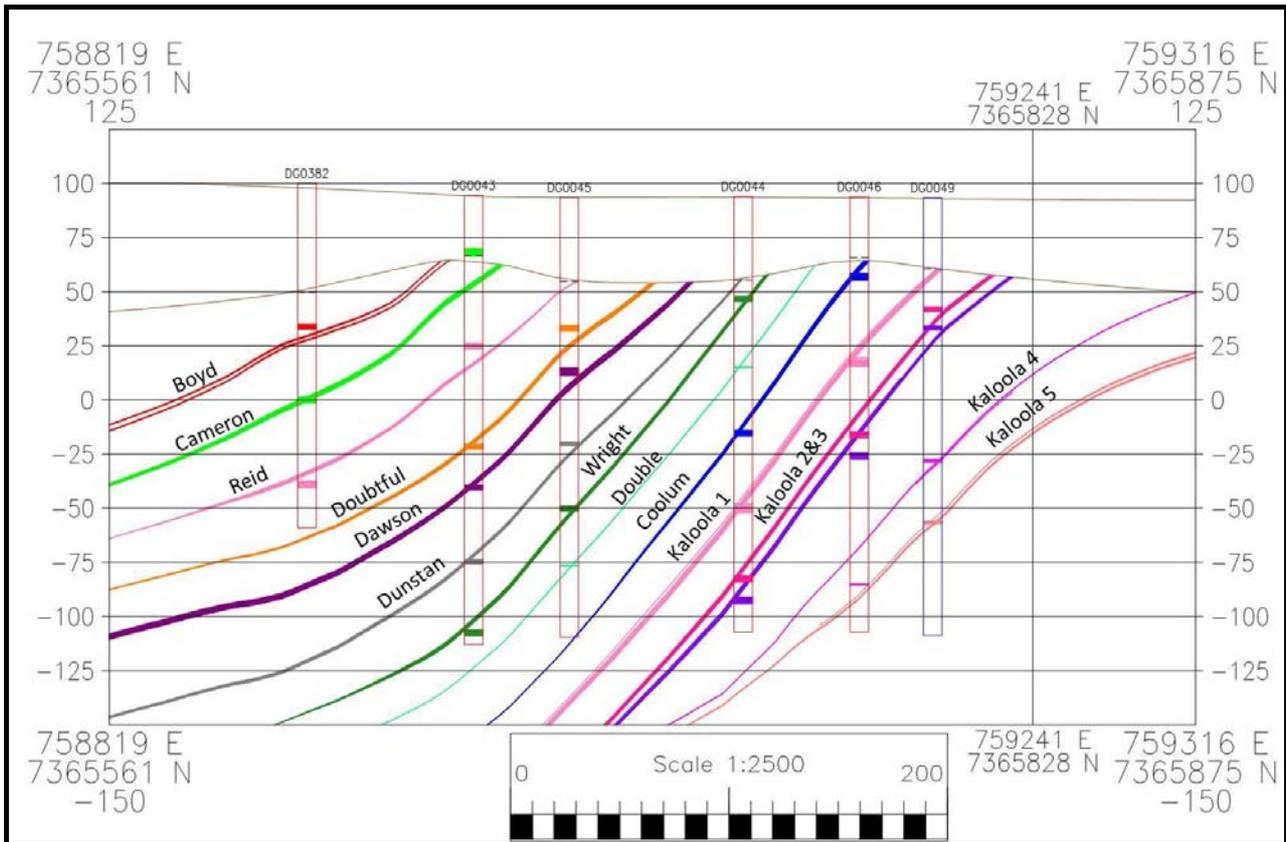
The uppermost Burngrove Formation coal seams (Kaloola Beds), which occur directly beneath the Rangal Coal Measures, are also being assessed for raw and washed coal properties. The Kaloola Beds' equivalents are known to have coking coal properties elsewhere in the Bowen Basin.

The Pearl Creek target has been the main area of focus since the last update. Drilling results are currently being incorporated in the 3D model and are demonstrating the continuity of the Rangal Coal Measures between Pearl Creek and Giles Creek, to the north.

Drill hole coordinates and cumulative thickness of coal at the Dingo project since the last update are detailed in Appendix 1.



Drill hole location map of Dingo project targets. The location of cross section PC24 is also shown.



**Pearl Creek cross section PC24, viewed to the north.**

**Statement of Compliance**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Oliver Holm is a full-time employee of the Company who 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'. Oliver Holm has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, contact Mark Lochtenberg or Peter Nightingale on (61-2) 9033 3333.

Yours faithfully

Peter J. Nightingale  
Director

pjn5339

## Appendix 1

Drill hole coordinates and cumulative thickness of coal in the Dingo project for holes drilled since the last update are listed below. Drill holes suffixed R1 indicate Redrills, CH indicate Cored Holes. Coal intercepts, as determined from down-hole geophysical logging are as follows:

| Drill Hole | Tenement | Area        | Easting 94 | Northing 94 | RL (m) | Total Depth (m) | Cum Coal Thick. (m) | Depth of Cum Coal Thick. (m) | BCM/T Ratio at Base of Coal | Depth of Best BCM/T Ratio (m) | Best BCM/T Ratio | Comment     |
|------------|----------|-------------|------------|-------------|--------|-----------------|---------------------|------------------------------|-----------------------------|-------------------------------|------------------|-------------|
| DG0077CH   | EPC862   | Pearl Creek | 759750     | 7365092     | 98     | 100             | 4.8                 | 52                           | 7.0                         | 52                            | 7.0              | In progress |
| DG0337R1   | EPC862   | Pearl Creek | 758936     | 7366768     | 93     | 201             | 1.7                 | 198                          | 81.8                        | 198                           | 81.8             |             |
| DG0347     | EPC862   | Pearl Creek | 758709     | 7366592     | 94     | 62              | 1.9                 | 56                           | 20.2                        | 56                            | 20.2             | Abandoned   |
| DG0347R1   | EPC862   | Pearl Creek | 758706     | 7366598     | 94     | 207             | 7.5                 | 173                          | 15.7                        | 173                           | 15.7             |             |
| DG0348     | EPC862   | Pearl Creek | 758882     | 7366710     | 93     | 201             | 2.5                 | 187                          | 52.0                        | 187                           | 52.0             |             |
| DG0349     | EPC862   | Pearl Creek | 758725     | 7366824     | 95     | 205             | 6.1                 | 196                          | 22.3                        | 59                            | 15.2             |             |
| DG0350     | EPC862   | Pearl Creek | 758790     | 7366651     | 93     | 201             | N/A                 | N/A                          | N/A                         | N/A                           | N/A              | No coal     |
| DG0351     | EPC862   | Pearl Creek | 758764     | 7366849     | 95     | 79              | N/A                 | N/A                          | N/A                         | N/A                           | N/A              | Abandoned   |
| DG0351R1   | EPC862   | Pearl Creek | 758774     | 7366850     | 95     | 205             | 4.5                 | 163                          | 25.2                        | 77                            | 19.3             |             |
| DG0352     | EPC862   | Pearl Creek | 759008     | 7366593     | 92     | 203             | 2.8                 | 163                          | 40.6                        | 163                           | 40.6             |             |
| DG0353     | EPC862   | Pearl Creek | 759015     | 7366845     | 93     | 201             | 3.9                 | 169                          | 30.0                        | 91                            | 21.1             |             |
| DG0354     | EPC862   | Pearl Creek | 758885     | 7366508     | 93     | 201             | 1.3                 | 159                          | 84.6                        | 159                           | 84.6             |             |
| DG0355     | EPC862   | Pearl Creek | 758967     | 7366561     | 92     | 198             | 3.8                 | 197                          | 36.3                        | 68                            | 19.1             |             |
| DG0356     | EPC862   | Pearl Creek | 759765     | 7367371     | 93     | 205             | 2.3                 | 113                          | 34.1                        | 70                            | 25.8             |             |
| DG0357     | EPC862   | Pearl Creek | 758848     | 7366482     | 93     | 201             | 5.0                 | 127                          | 17.4                        | 127                           | 17.4             |             |
| DG0358     | EPC862   | Pearl Creek | 759588     | 7367248     | 93     | 201             | 3.4                 | 191                          | 39.2                        | 191                           | 39.2             |             |
| DG0359     | EPC862   | Pearl Creek | 759257     | 7367014     | 93     | 201             | 6.5                 | 157                          | 16.6                        | 126                           | 16.2             |             |
| DG0360     | EPC862   | Pearl Creek | 759670     | 7367308     | 93     | 205             | 5.1                 | 188                          | 25.9                        | 188                           | 25.9             |             |
| DG0361     | EPC862   | Pearl Creek | 758926     | 7366532     | 93     | 203             | 1.5                 | 93                           | 44.6                        | 93                            | 44.6             |             |
| DG0362     | EPC862   | Pearl Creek | 759182     | 7366958     | 93     | 201             | 6.5                 | 137                          | 14.4                        | 137                           | 14.4             |             |
| DG0363     | EPC862   | Pearl Creek | 759422     | 7367133     | 93     | 215             | 3.0                 | 205                          | 47.5                        | 205                           | 47.5             |             |
| DG0364     | EPC862   | Pearl Creek | 759503     | 7367192     | 93     | 201             | 4.2                 | 169                          | 27.8                        | 117                           | 26.2             |             |
| DG0365     | EPC862   | Pearl Creek | 759099     | 7366902     | 94     | 201             | 5.4                 | 172                          | 22.2                        | 172                           | 22.2             |             |
| DG0366     | EPC862   | Pearl Creek | 758378     | 7366361     | 94     | 203             | 11.1                | 195                          | 11.8                        | 83                            | 10.9             |             |
| DG0367     | EPC862   | Pearl Creek | 759339     | 7367073     | 93     | 205             | 0.3                 | 129                          | 328.0                       | 129                           | 328.0            |             |
| DG0368     | EPC862   | Pearl Creek | 758316     | 7366104     | 94     | 201             | 4.2                 | 159                          | 26.1                        | 79                            | 14.7             |             |
| DG0369     | EPC862   | Pearl Creek | 758637     | 7366337     | 93     | 201             | 8.1                 | 186                          | 15.7                        | 160                           | 14.0             |             |
| DG0370     | EPC862   | Pearl Creek | 758394     | 7366162     | 94     | 201             | 18.2                | 171                          | 6.0                         | 135                           | 5.3              |             |
| DG0371     | EPC862   | Pearl Creek | 758710     | 7365888     | 102    | 58              | N/A                 | N/A                          | N/A                         | N/A                           | N/A              | Abandoned   |
| DG0371R1   | EPC862   | Pearl Creek | 758695     | 7365886     | 100    | 199             | 9.9                 | 183                          | 12.5                        | 183                           | 12.5             |             |
| DG0372     | EPC862   | Pearl Creek | 758959     | 7366310     | 97     | 233             | 6.5                 | 211                          | 22.6                        | 128                           | 18.6             |             |
| DG0373     | EPC862   | Pearl Creek | 758792     | 7365939     | 94     | 205             | 11.9                | 195                          | 10.9                        | 195                           | 10.9             |             |
| DG0374     | EPC862   | Pearl Creek | 758466     | 7366198     | 94     | 201             | 13.8                | 195                          | 9.4                         | 88                            | 7.1              |             |
| DG0375     | EPC862   | Pearl Creek | 758719     | 7366387     | 102    | 55              | N/A                 | N/A                          | N/A                         | N/A                           | N/A              | Abandoned   |
| DG0375R1   | EPC862   | Pearl Creek | 758714     | 7366390     | 100    | 201             | 7.0                 | 187                          | 18.3                        | 119                           | 12.8             |             |
| DG0376     | EPC862   | Pearl Creek | 758866     | 7366005     | 94     | 205             | 5.9                 | 176                          | 20.5                        | 176                           | 20.5             |             |

| Drill Hole | Tenement | Area        | Easting 94 | Northing 94 | RL (m) | Total Depth (m) | Cum Coal Thick. (m) | Depth of Cum Coal Thick. (m) | BCM/T Ratio at Base of Coal | Depth of Best BCM/T Ratio (m) | Best BCM/T Ratio | Comment   |
|------------|----------|-------------|------------|-------------|--------|-----------------|---------------------|------------------------------|-----------------------------|-------------------------------|------------------|-----------|
| DG0377     | EPC862   | Pearl Creek | 758760     | 7366419     | 97     | 206             | 3.5                 | 199                          | 40.2                        | 199                           | 40.2             |           |
| DG0378     | EPC862   | Pearl Creek | 758991     | 7366342     | 88     | 203             | 7.0                 | 159                          | 15.5                        | 66                            | 14.0             |           |
| DG0379     | EPC862   | Pearl Creek | 758552     | 7366285     | 99     | 201             | 10.0                | 189                          | 12.7                        | 189                           | 12.7             |           |
| DG0380     | EPC862   | Pearl Creek | 758815     | 7366451     | 83     | 195             | 6.8                 | 178                          | 17.9                        | 134                           | 15.5             |           |
| DG0381     | EPC862   | Pearl Creek | 758945     | 7366065     | 97     | 72              | 2.0                 | 62                           | 21.4                        | 62                            | 21.4             | Abandoned |
| DG0382     | EPC862   | Pearl Creek | 758909     | 7365610     | 100    | 159             | 7.9                 | 140                          | 12.1                        | 140                           | 12.1             |           |
| DG0383     | EPC862   | Pearl Creek | 759026     | 7366123     | 97     | 201             | N/A                 | N/A                          | N/A                         | N/A                           | N/A              | No Coal   |
|            |          |             |            |             |        |                 |                     |                              |                             |                               |                  |           |