

## **COALWORKS Limited**

**22 December 2010**

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Via e-lodgement

### **VICKERY SOUTH JOINT VENTURE SIGNED BY ITOCHU**

- ❖ ***ITOCHU and Coalworks have signed Joint Venture***
- ❖ ***ITOCHU has spent initial \$5 Million to earn 29%***

Pursuant to Farm in Agreement signed on 30 April 2010, **Coalworks Limited** (ASX:**CWK**) today announced that its wholly owned subsidiary Coalworks (Vickery South) Pty Ltd (Coalworks) has signed a joint venture agreement (JVA) with ICRA Vickery Pty Ltd (ICRA), a wholly owned subsidiary of the Japanese general trading company, ITOCHU Corporation, for its Vickery South coking/thermal coal project.

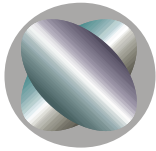
The JVA signing follows payment to Coalworks of the first tranche of \$5m by IMEA for 29% of EL 7407, Vickery South. In addition, Vickery South Operations Pty Ltd and Vickery South Marketing Pty Ltd have been formed as joint venture companies. These JVA companies are presently owned 29% by ICRA and 71% by Coalworks and upon BFS this ownership is expected to be 49% ICRA and 51% Coalworks.

Vickery South Marketing Pty Ltd will facilitate ITOCHU arranging the sale and marketing of all coking and thermal coal to be produced from Vickery South by the Joint Venture.

Coalworks Managing Director and CEO Andrew Firek said:

“I would like to welcome ITOCHU as a joint venture partner for Coalworks and thank them for their support through the PFS process and in securing the key landholdings required to develop this project. Already we are building Vickery South into a very valuable asset with their assistance.”

Coalworks has now initiated the measured drilling program at Vickery South, to support completion of BFS next year.



**Cautionary Note:** *This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subjected to risk and uncertainties that might be out of control of Coalworks Limited and may cause actual results to differ from the release. Coalworks Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.*

For further information, please contact:  
Mr Andrew Firek, Managing Director & CEO  
or Mr Tony Teng, Director & Company Secretary  
Coalworks Limited  
**Tel:** +61 2 9922 1344  
**Fax:** +61 2 9922 4288  
**Email:** [info@coalworks.com.au](mailto:info@coalworks.com.au)  
[www.coalworks.com.au](http://www.coalworks.com.au)

#### **About COALWORKS**

**Coalworks has a portfolio of projects in Australia including:**

1. **Oaklands (JORC measured, indicated and inferred 822Mt thermal coal)**  
– see ASX announcement 5.11. 2009;
2. **Oaklands Bankable Feasibility Study underway;**
3. **Strategic Alliance with Synthesis Energy Systems Inc to develop Oaklands coal-to-petrol plant announced – see ASX announcement 2.12.2009**
4. **Vickery South, Gunnedah Basin (exploration target coking/thermal coal)**  
# JORC inferred resource 42MT (see ASX announcement 15 April 2010)  
# ITOCHU signs Farm In Agreement in \$11m deal (see ASX announcement 04.05.2010)  
# Preliminary Feasibility Study – positive with semi soft coking coal forming 84% of product (see ASX announcement 09.11.2010)
5. **Hodgson Vale (exploration target thermal coal)**
6. **Ashford (limestone deposit with high value lime products as the target).**
7. **Ferndale Coal Project**  
# New Exploration Target 350Mt – 530Mt of coking/thermal coal (See Announcement 19.11.2010)  
# Boardwalk signed Farm-In and Joint Venture Agreements in \$25m deal  
(see ASX announcement 09.12.2010)