



1 February 2010

Company Announcements Office
Australian Securities Exchange
PO Box H224 Australian Square
Sydney NSW 2000

PROPOSED ACQUISITION OF MINING COMPANY PT TOBA JAYA

The Company earlier announced on 15 December 2009 that it was to formulate a joint venture or cooperation with PT. Toba Jaya ("Toba Jaya") to jointly carry out Mining Activities in the coal concession at Muara Bungo, Indonesia.

The Company wishes to announce that it has further entered into a Memorandum of Understanding ("MOU") with Toba Jaya to acquire 95% of the total issued and paid up capital of Toba Jaya.

Toba Jaya is an established mining contractor in Indonesia that possesses the necessary expertise, machineries and financial capabilities to conduct exploration, construction, exploitation and transportation of coal and other minerals.

Toba Jaya has been awarded mining contracts in Indonesia since 2004, particularly in tin mining in Bangka Island, Indonesia. Recently it has commenced a coal project in Kutai Kartanegara, East Kalimantan, Indonesia for which Toba Jaya is responsible for the construction, exploitation, transportation and marketing of coal from the coal concession area.

The acquisition will contribute significantly in enhancing the Company's profitability and enabling the Company to strengthen its position both as a coal concession owner as its ability to conduct its own mining activities.

Subject to the satisfaction of the conditions precedent in the signed MOU, both parties shall enter into a Sale and Purchase Agreement on terms and conditions to be agreed upon. An announcement will be made upon signing of the Sale and Purchase Agreement.

Yours faithfully,


Faris Azmi Abdul Rahman
Company Secretary

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