



24 December 2010

Companies Announcements Office
Australian Stock Exchange Limited
Exchange House
Level 4, 20 Bridge Street
Sydney, NSW 2000

NEW ARRANGEMENT WITH PT NUSANTARA TERMAL COAL

The Company is pleased to announce that it has concluded an arrangement with PT Nusantara Termal Coal ("PT NTC") whereby the Company's prepaid coal purchase of AUD 24 million will be settled by the company receiving a cash payment of AUD12.9 million. The first payment of AUD6.2 million has been received on 23 December 2010 whilst the final AUD6.7 million will be received on or before 31 January 2011.

Further the Company shall be allotted equity in a new company on or before 31 January 2011 to be formed for the purpose of holding 22.22% indirect interest in PT NTC in exchange for the direct investment holding of 24.8% in PT NTC valued at AUD 12.1 million to facilitate a raising of working capital for PT NTC from financial institutions.

The Company intends to use the cash proceeds to reduce its liabilities by partial redemption of its convertible bond and for working capital.

An application will be made to the Exchange to uplift the suspension of the Company in the new year.

Yours faithfully

A handwritten signature in black ink, appearing to read "Faris", is written over the typed name.

Faris Azmi Abdul Rahman
Company Secretary