



29 April 2011
Via electronic lodgement

ACTIVITIES UPDATE QUARTER ENDED 30 JUNE 2011

- **Significant coal seams intersected in Ovorhangay Province**
- **Initial raw coal quality tests confirm presence of high quality coking properties likely to be enhanced by coal washing**
- **Exercise of rights under Option Agreement to acquire 8 licences covering approx. 625km² from international coal developer**
- **Large number of coal samples still to be calibrated and assessed with further results to be released to market over the coming weeks**
- **In-country partner secured to identify & develop coal deposits in Indonesia**

MONGOLIAN UPDATE

C @ Limited ("CEO") is extremely pleased with the significant progress made during the quarter in respect of its due diligence exploration program on the 8 coal licences located in the South Gobi province and the adjoining Ovorhangay province in southern Mongolia.

The Company recently exercised its rights under the exclusive option agreement to acquire these licences which cover a vast area of approximately 625km².

Exploration work by CEO discovered three significant coal intersections on the Ovorhangay licences. The first hole (BTE-1) produced a coal seam thickness of 60m from surface and was estimated to comprise one major coal seam. The second hole (BTE-2), located 280m northwest from BTE-1, achieved a 40m coal seam thickness commencing at 89m in depth, which was also estimated to comprise one major seam.

The fifth hole (BTE-5), which was drilled approximately 6km to the northwest of BTE-2 at the northern end of the licence, also intersected coal at 38m for 12m and then a shaley coal sequence, with occasional siltstone partings at 141m for 15m.

Due to the extensive area of land under licence and the limited time frame imposed by the due diligence, no infill drilling was able to be undertaken between these major intersections. It still remains unclear if the potential coal bearing sequence in BTE-1, BTE -2 and BTE-5

forms part of the same coal seams and geological structures, or are completely different structures.



Ovorhangay Province: Drill Core from BTE-1 from 18.0m to 19.5m

A large number of coal samples taken from intersections in BTE-1 and BTE-2 were sent to SGS Laboratories in Ulaanbaatar, Mongolia to undertake quality analysis. Due to the large size of these seams and sample points, CEO is still working on the test results including the requirement for washability testing with leading industry experts and will update the market as soon as this information comes to hand.

To better understand the coal's metallurgical potential, the Company also sent an individual random raw coal sample from BTE-2 to ALS Laboratories, Australia. ALS provides an extensive and highly specialised analysis service and are leading experts in metallurgical coal analysis.

Results from the initial coal sample are provided below:

BTE-2	Results of Analysis
Energy - kcal/kg (db)	6,567
Energy - kcal/kg (daf)	7,530
Total Moisture (ar)	4.5%
Ash (ar)	12.2%
Sulphur (ar)	0.91%
CSN	3
Carbon (db)	67.3%
Vitrinite (by volume)	90.1%



Ovorhangay Province: Drill Core from BTE-1

On 15 July 2011 CEO exercised its rights under the Option Agreement, which sets out the steps for negotiation of the definitive sale and purchase agreement. It is anticipated that further negotiation will take place over the next few weeks to finalise a definitive sale and purchase agreement for execution.

The Company has started planning an extensive exploration program on the Ovorhangay licences which it intends to commence immediately upon signing the sale and purchase agreement. This program will include substantial drilling in addition to geophysics and seismic testing.

INDONESIAN UPDATE

CEO's local Indonesian partner Ethica Trade Cermelang initially identified a number of coking and high energy thermal coal project opportunities located in Indonesia. These and other projects are currently under review by the Company.

AUTHORISED BY:

Mark Earley
Managing Director

Competent Persons Statement

The information provided in this report that relates to exploration results is based on information provided by Mr Wade Robinson, who is a member of the American Institute of Professional Geologists (8018) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral

Resources and Ore Reserves". Mr Robinson is an independent Consulting Coal Geologist and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Robinson has over 30 years' experience in exploration and mining of coal and industrial mineral deposits.

About CEO

C @ Limited is an ASX-listed company currently engaged in supplying wholesale optical frames and lenses to opticians. During 2010 it announced that it would search for opportunities in the coal resources sector and attempt to build shareholder value by changing sectors. To this end it appointed international coal veteran Mark Earley as Managing Director in September 2010. Mark has over 30 years experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. He has also been involved in green field mine developments in both Australia and Indonesia, has advised on several successful start-up projects and holds a masters degree in mining engineering. Most recently Mark held the position of Executive Director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms. His involvement in the coal industry covers virtually all significant territories ranging from the Americas, Southern Africa, Former Soviet Union, India, China and the major supply growth centres of Mongolia and Indonesia.