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Via electronic lodgement

MONGOLIAN COAL LICENCES DRILLING UPDATE

- Further drill work completed on Ovorhangay licences
- Coal intersected on BTE-5 at 38m depth for 12m and again at 141m depth for 15m
- BTE-5 is located approx 6km from BTE-1 & BTE-2 which both had significant coal intersections

C @ Limited ("CEO") is pleased to announce that it has successfully completed its technical due diligence exploration program on the coal licences located in the South Gobi province and the adjoining Ovorhangay province in southern Mongolia, which it holds under an option agreement with a major international developer.

Exploration work by CEO has discovered two significant coal intersections on the Ovorhangay licences, located 280m apart. 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) achieved a 40m coal seam thickness commencing at 89m in depth, which was also estimated to comprise one major seam. It is still unclear if these two intersects form part of the same coal seam or are two different structures.



Ovorhangay License - Drill Core

In an effort to further understand the orientation of these coal seams and their structure, the Company continued to focus its exploration efforts on this licence. The third hole (BTE-3) was drilled north-west of BTE-2 and did not produce any results. The fourth hole (BTE-4) was drilled north north-west of BTE-2 and showed evidence that it was just outside of the estimated synclinal structure.

This led to a fifth hole (BTE-5) which was drilled slightly south south-west of BTE-4 and intersected coal at 38m for 12m, and then a shaley coal sequence, with occasional siltstone partings at 141m for 15m before the drill bit got stuck at 156m, having to be abandoned. BTE-5 is located approximately 6km from BTE-2. It still remains unclear if the potential coal bearing sequence in BTE-5 forms part of the coal seams and geological structures intersected in BTE-1 and BTE-2.

The 60m coal seam intersected in BTE-1 and 40m coal seam intersected in BTE-2 have both logged geophysics which indicate hard coal for 36m and 30m in each respective hole. Due to the thickness of the seams and large number of mining options available to maximise the coal quality, we are looking to engage experts in Australia to assist with the correlation and potential market positioning for the coal.

A sixth hole (BTE-6) was drilled on a second licence in Ovorhangay as part of initial reconnaissance on this licence. This particular licence covers a significantly large area covering approximately 145km² and although this licence remains highly prospective, BTE-6 produced no results.



Mark Earley and Geological Team – Ovorhangay Province

Further updates will be provided by the Company when coal quality results come to hand.

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.