



20 April 2011
Via electronic lodgement

MONGOLIAN COAL ACQUISITION

- **Option to acquire substantial Mongolian coal licences from international coal developer**
 - **8 licences well located with access to existing infrastructure**
 - **In-country technical team established and ready to commence**

C @ Limited (“CEO”) is pleased to announce it has entered into a binding and exclusive agreement with an international coal developer that has a significant position in the coking and thermal coal industry in Mongolia. The agreement provides CEO with an option to acquire 8 highly prospective coal exploration licenses in the South Gobi, near the Chinese border, and adjoining Ovorhangay province in southern Mongolia. The licences in Ovorhangay are close to existing mining operations.

This strategic acquisition is the first step in CEO’s strategy to actively acquire and develop high quality coking and thermal coal interests in Mongolia. CEO has the structure and technical team in place to successfully develop these assets.

Managing Director Mr Mark Early said: “I am delighted to announce that we have secured an exclusive option on a number of coal licenses in the South Gobi and Ovorhangay provinces that are well located to existing market infrastructure, and are a good fit for CEO. Notably the licenses are unencumbered and allow us to acquire the full licence rights. “

The option period commenced on 19 April 2011 and will continue for a period of 10 weeks, during which time CEO will complete due diligence on the licenses to the extent it deems necessary prior to exercising the option. The due diligence process will include a significant mapping, drilling, trenching and coal sampling program. CEO will provide further announcements on its findings over the course of the due diligence period.

CEO has made a non-refundable payment of US\$100,000 as consideration for entering into the option agreement, which will be credited against the total acquisition price.

If CEO exercises its option to acquire the coal licences, completion will occur once the parties have negotiated and signed a sale and purchase agreement and CEO has made the final consideration payment of US\$7.7 million.

A 1% royalty based on the free on board, mine load out, value of any coal mined from the license areas is also payable as part of the acquisition.

The opportunity was identified with the assistance of local partner Trinity Mongolia Pty Ltd ("Trinity"). Trinity will provide evaluation support and ongoing technical assistance in-country during due diligence. Under CEO's agreement with Trinity, as announced on 12 November 2010, the acquisition will be made through a joint venture with Trinity.

AUTHORISED BY:

Mark Earley
Managing Director

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.