



CONFIRMATION OF SETTLEMENT OF AGREEMENTS

a. The Share Sale Agreement dated 21 September 2011 with the shareholders of Delta Coal Fund Pty Ltd (“Agreement”) has completed including the issue and allotment of 10 million fully paid ordinary shares, 10 million class A, 10 million class B, and 10 million class C performance shares in the Company to the shareholders of Delta Coal in accordance with the Agreement.

b. The Asset Purchase Agreement dated 12 September 2011, between Delta Coal Fund Pty Ltd and Carbon Resources LLC (“Asset Purchase Agreement”) whereby Delta Coal Fund Pty Ltd agreed to exercise its option to acquire 100% of the Kinney Project, inclusive of the initial payment of US\$6,500,000 (being a total of US\$7,000,000 being the payment of US\$6,500,000 plus the transfer of the option fee of US\$500,000) to Carbon Resources LLC has been completed.