

STRATEGIC POOLED DEVELOPMENT LIMITED
ACN 062 187 893

STRATEGIC POOLED DEVELOPMENT LIMITED TO ACQUIRE A PORTFOLIO OF COAL ASSETS IN QUEENSLAND, AUSTRALIA AND BRITISH COLUMBIA, CANADA

Summary of proposed transactions

The directors of Strategic Pooled Development Limited (**SPD**)(**ASX:SPD**) are pleased to announce that SPD has entered into a conditional share and option exchange agreement with Saul Geological Pty Limited (**Saul Geo**) and others to acquire all of the issued shares and employee options in Resolve Coal Pty Ltd (**Resolve Coal**). The assets of Resolve Coal are rights to acquire a portfolio of coal assets located in Queensland, Australia and British Columbia, Canada, along with one application for a Queensland coal exploration permit and four applications for Canadian coal licences.

The consideration for the proposed acquisition is \$95.5 million paid by the issue to Saul Geo of 111,302,007 fully paid ordinary shares in SPD and the issue of 47,864,658 employee options exercisable at a nil exercise price for fully paid ordinary shares in SPD.

In conjunction with the proposed acquisition, SPD proposes to raise a minimum of \$20 million and up to \$25 million by the issue of fully paid ordinary shares pursuant to a public offer under a prospectus to be lodged with ASIC.

As the proposed acquisition constitutes a change in nature and scale of the activities of SPD, SPD is required to obtain shareholder approval for the acquisition and to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Further, SPD is proposing to dispose of its interests in Fisher Graham Wealth Pty Ltd to Fisher Graham Group Pty Ltd for consideration of a cash payment of \$1.00 and a payment of \$620,000 by Fisher Graham Group Pty Ltd to SPD in full satisfaction of all debts owed by Fisher Graham Wealth Pty Ltd and its related bodies corporate to SPD.

Summary of the acquisition and assets proposed to be acquired

The portfolio of coal assets that Resolve Coal has the rights to acquire are located in Queensland, Australian and British Columbia, Canada. Resolve Coal has entered into a sale of assets agreement with Resolve Geo Pty Ltd (**Resolve Geo**) to acquire from Resolve Geo:

- five coal exploration permits in Queensland; and
- applications for two further coal exploration permits in Queensland, along with the coal exploration permits upon those applications being granted,

with all transfers subject to necessary ministerial or government approvals, as the case may be.

Resolve Coal has also made further applications including:

- one application for a Queensland coal exploration permit; and
- four applications for coal licences in British Columbia, Canada.

Based on information SPD has reviewed, the portfolio of tenements and applications:

- consists of quality exploration assets;
- provides SPD with exposure to thermal and coking markets;
- possess a mix of near term and mid term development projects;
- are located in low sovereign risk jurisdictions; and
- consist of over 1,957 km² of exploration areas in premier coal basins within Queensland, Australia and British Columbia, Canada.

Additional information on the portfolio that Resolve Coal has rights to acquire are set out in the Annexure to this announcement.

The consideration of the acquisition is \$95.5 million paid by the issue of 111,302,007 shares (post consolidation) in SPD and the issue of 47,864,658 employee options. The employee options will have a nil exercise price and will be exercisable for shares in SPD at any time between 18 months and 5 years following issue, subject to certain rights of earlier exercise and to certain circumstances of earlier expiry. The price of the shares proposed to be issued is based on the price per share to be offered under the prospectus for the proposed capital raising namely, \$0.60 per share (see below).

The terms of the issue of such shares will also be consistent with the terms of issue under the prospectus. The employee options will be issued under an employee option plan to be adopted by SPD and a summary of the terms will be provided in the notice of meeting and explanatory memorandum in the coming weeks in accordance with the indicative timetable in this announcement.

The completion of the acquisition and the issue of such shares and employee options will be subject to shareholder approval.

Share consolidation and proposed capital raising

As part of the requirement to re-comply with Chapters 1 and 2 of the ASX Listing Rules, SPD will undertake a consolidation of its existing share capital on a one for five basis.

SPD also intends to raise a minimum of \$20 million and up to \$25 million from the issue of up to 41,666,667 new shares (on a post consolidation basis) at an issue price of \$0.60 per share pursuant to a prospectus to be lodged with ASIC.

The proposed use of funds will be to satisfy work commitments on the tenements to be acquired, for working capital and for other purposes as set out in more detail in the prospectus.

SPD has appointed Bell Potter Securities Limited as lead manager for the capital raising.

The table below shows the pre and post consolidation details:

	Before proposed transactions		After proposed transactions	
	(Pre-consolidation)	(Post-consolidation)	(Post-consolidation, minimum raising)	(Post-consolidation, maximum raising)
Number of shares on issue	34,500,158	6,900,032	151,535,374	159,868,708
Number of employee options on issue	Nil	Nil	47,864,658	47,864,658
Market capitalisation	\$2,932,513 ¹	\$2,932,513 ²	\$119,640,019 ³	\$124,640,020 ⁴
Net assets (May NTA)	\$3,999,512	\$3,999,512	\$118,762,802	\$123,537,802

SPD expects that the prospectus setting out the offer will be lodged with ASIC within the coming weeks in accordance with the indicative timetable in this announcement and shareholders will be given a priority offer within that capital raising.

Proposed disposal of assets to Fisher Graham Group Pty Ltd

SPD proposes to dispose of its interests in Fisher Graham Wealth Pty Ltd to Fisher Graham Group Pty Ltd for the consideration of a cash payment of \$1.00 and a payment of \$620,000 by Fisher Graham Group Pty Ltd to SPD in full satisfaction of all debts owed by Fisher Graham Wealth Pty Ltd and its related bodies corporate.

Fisher Graham Wealth will no longer form part of SPD's change in focus and business activities following completion of the proposed acquisition of Resolve Coal. Therefore, that investment is to be realised at this time as part of the process of this proposed acquisition.

Additional information on these assets and the proposed disposal will be set out in the notice of meeting and explanatory statement to be sent to shareholders in the coming weeks in accordance with the indicative timetable in this announcement.

Shareholder approvals

The proposed transactions require a number of shareholder approvals before they can be effected. An extraordinary shareholder meeting will be called and at that meeting shareholders' approval will be sought to:

- change the nature and scale of SPD's activities because of the acquisition;
- consolidate its existing shares;
- issue new shares to Saul Geo and options as consideration for the acquisition;
- Saul Geo acquiring a relevant interest in more than 20% of the shares in SPD;

¹ Assumes market price of \$0.085 per share immediately prior to this announcement.

² Assumes market price of \$0.085 per share immediately prior to this announcement.

³ Assumes market price of \$0.60 per share when trading resumes after EGM.

⁴ Assumes market price of \$0.60 per share when trading resumes after EGM.

- issue new shares under the prospectus offer;
- issue new shares to SPD directors who subscribe under the prospectus;
- dispose of certain assets to a substantial holder (10% voting power) or related party; and
- change the name of SPD to Resolve Energy.

A notice of meeting and explanatory statement setting out the various resolutions to be proposed at the extraordinary general meeting will be sent to shareholders within the coming weeks in accordance with the indicative timetable in this announcement.

Trading in SPD shares will be suspended following shareholder approvals until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied.

Board of Directors

At the conclusion of the necessary regulatory and shareholder approval process, the existing board of SPD will retire and be replaced with a new board.

The new board will be lead by Mr Gordon Saul (aged 47) as Managing Director, Mr Dave Mathew as Chairman plus two independent directors.

Gordon Saul is owner and founder of Resolve Geo. He is a qualified geologist, been actively involved in the mining sector for 25 years and in particular the coal industry over the past 20 years. Gordon is a foundation shareholder of Bandanna Energy Ltd (BND) and Tigers Realm Coal Ltd (soon to be listed).

Dave Mathew (aged 62) is a geologist by training with 30 plus years' experience in international coal and coal seam gas exploration and development and investment with start-up companies. Currently director Exoma Energy and past executive director for Arrow Energy, past President of the Australian Coal Seam Gas Council, co-founder of CH4 Moranbah Gas Project in Queensland, co-founder of DJ Mining Pty and founding shareholder in Bandanna Energy. He has held executive management positions with BHP Billiton and has a PhD in Coal Geology from the University of South Carolina, USA.

The two remaining non executive director positions will be filled by appropriately qualified candidates in the very near future.

Indicative timetable

The proposed timetable for the acquisition and the capital raising, which is subject to change, is set out below:

Event	
Dispatch of notice of meeting and explanatory statement	5 August 2011
Lodgement of prospectus with ASIC	5 August 2011
Opening date of prospectus offer	5 August 2011
Suspension of SPD shares	5 September 2011
EGM	5 September 2011

Prospectus closing date	12 September 2011
Last day to register transfers on pre-consolidation basis	13 September 2011
Issue of new shares	16 September 2011
Dispatch of holding statements	20 September 2011
Trading in SPD shares resume	23 September 2011

Annexure

Additional information on coal assets proposed to be acquired

SPD provides the following additional information about the portfolio of tenements and applications for tenements that Resolve Coal has rights to acquire from Resolve Geo. Information also follows regarding Resolve Coal's applications for tenements.

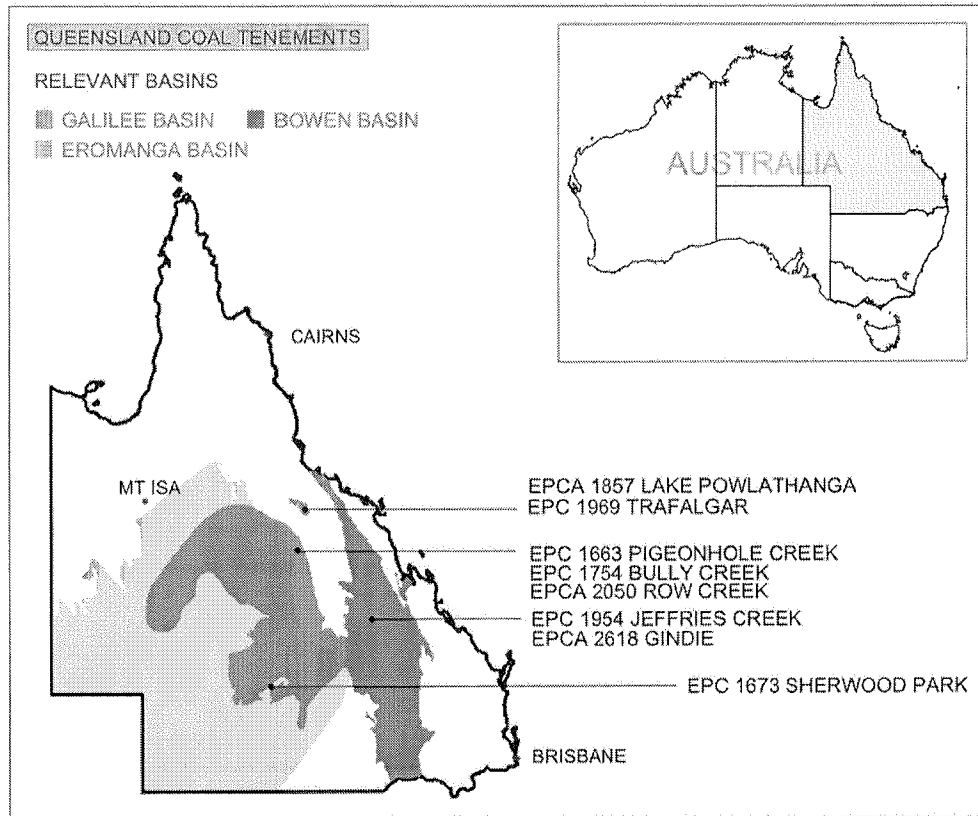
Please note that SPD is currently conducting due diligence on the assets and that further information regarding the assets will be provided in the notice of meeting and explanatory statement and the prospectus to be sent to shareholders in the coming weeks in accordance with the indicative timetable in the announcement.

Assets in Queensland, Australia

The tenements and applications for tenements in Queensland, Australia are listed below:

Tenement Number	Title	Location	Coal Type	Mining Method	Size (KM ²)	Resolve Holding %	Date Applied/Granted	Tenure Length (years)
EPC 1663	Pigeonhole Creek	Galilee Basin	Thermal Coal	Opencut	38.31	100	26/11/2010	5
EPC 1754	Bully Creek	Galilee Basin	Thermal Coal	Opencut	156.5	100	29/10/2010	5
EPC 1673	Sherwood Park	Eromanga Basin	Thermal Coal	Opencut/UCG	903.2	100	29/10/2010	5
EPC 1954	Jeffries Creek	Bowen Basin,	Thermal/ Coking Coal	Opencut/ Underground	34.56	100	4/02/2011	5
EPCA 2618	Gindie	Bowen Basin,	Thermal/ Coking Coal	Underground	47.17	100	21/06/2011	5
EPCA 2050	Row Creek	Galilee Basin	Thermal Coal	Opencut	79.89	100	2/02/2010	5
EPCA 1857	Lake Powlathanga	Galilee Basin	Thermal Coal	Opencut	290	100	23/07/2009	5
EPC 1969	Trafalgar	Galilee Basin	Thermal Coal	Opencut	161	100	21/04/2011	5

The Queensland tenements and applications for tenements are show below:



Jeffries Creek – EPC1954

The Jeffries Creek tenement is ideally located 30km south of Emerald, a major township with an existing mining service industry. It is also within 5km of an existing coal rail line. The tenement is located in the Cullin La Ringo deposit area. A total of 17 seams have been identified with the target seams including the Delta, Iota, Kappa, Omicron and Pi Seams. Average seam thickness is ca. 1.7m, 7.2m, 1.9m, 4.6m and 2.2m, respectively.

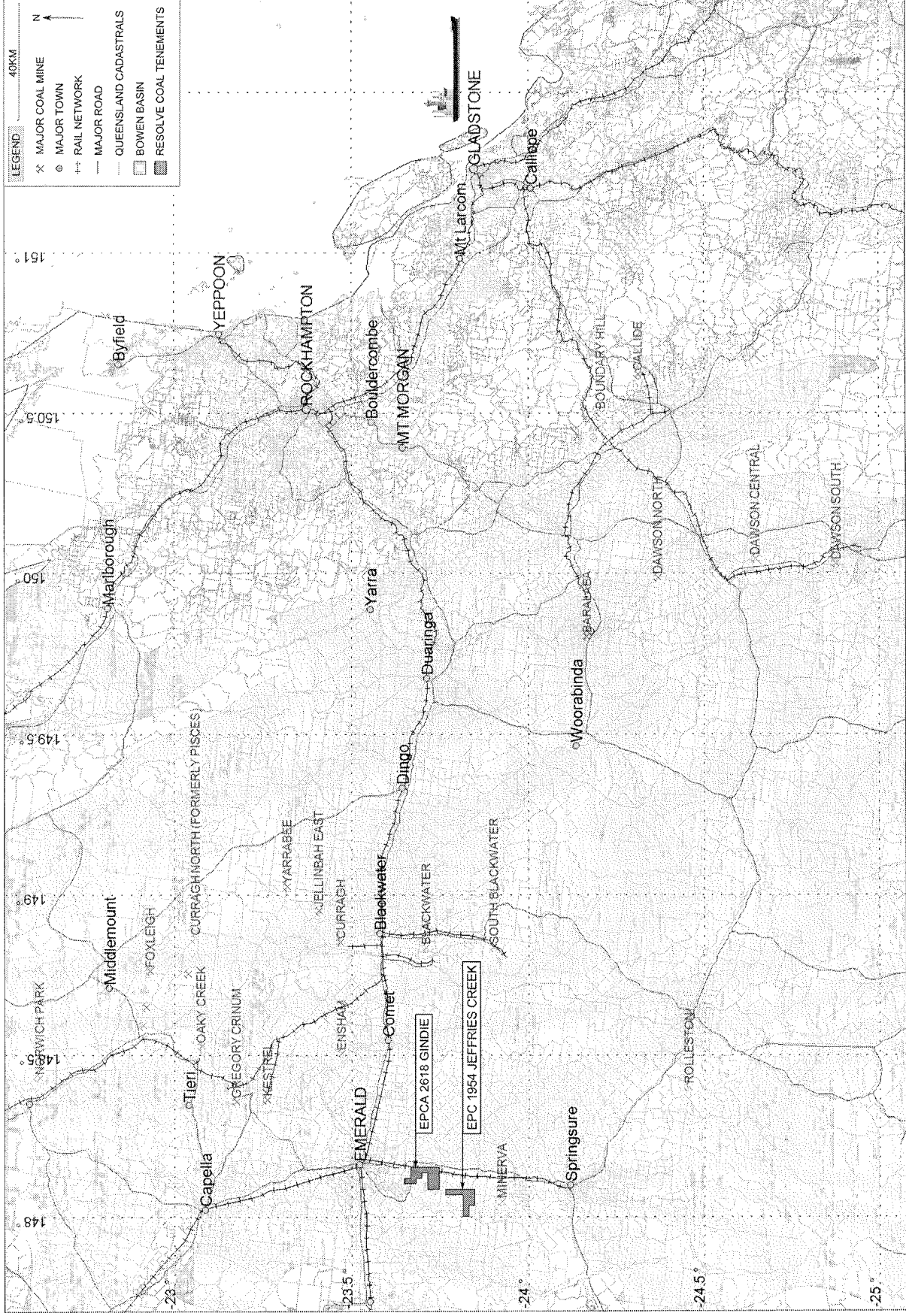
Coal quality data in the Iota seam is very similar to that of Apollo Resources Boggabri deposit, namely – semi-soft coking, with hard coking and thermal fractions.

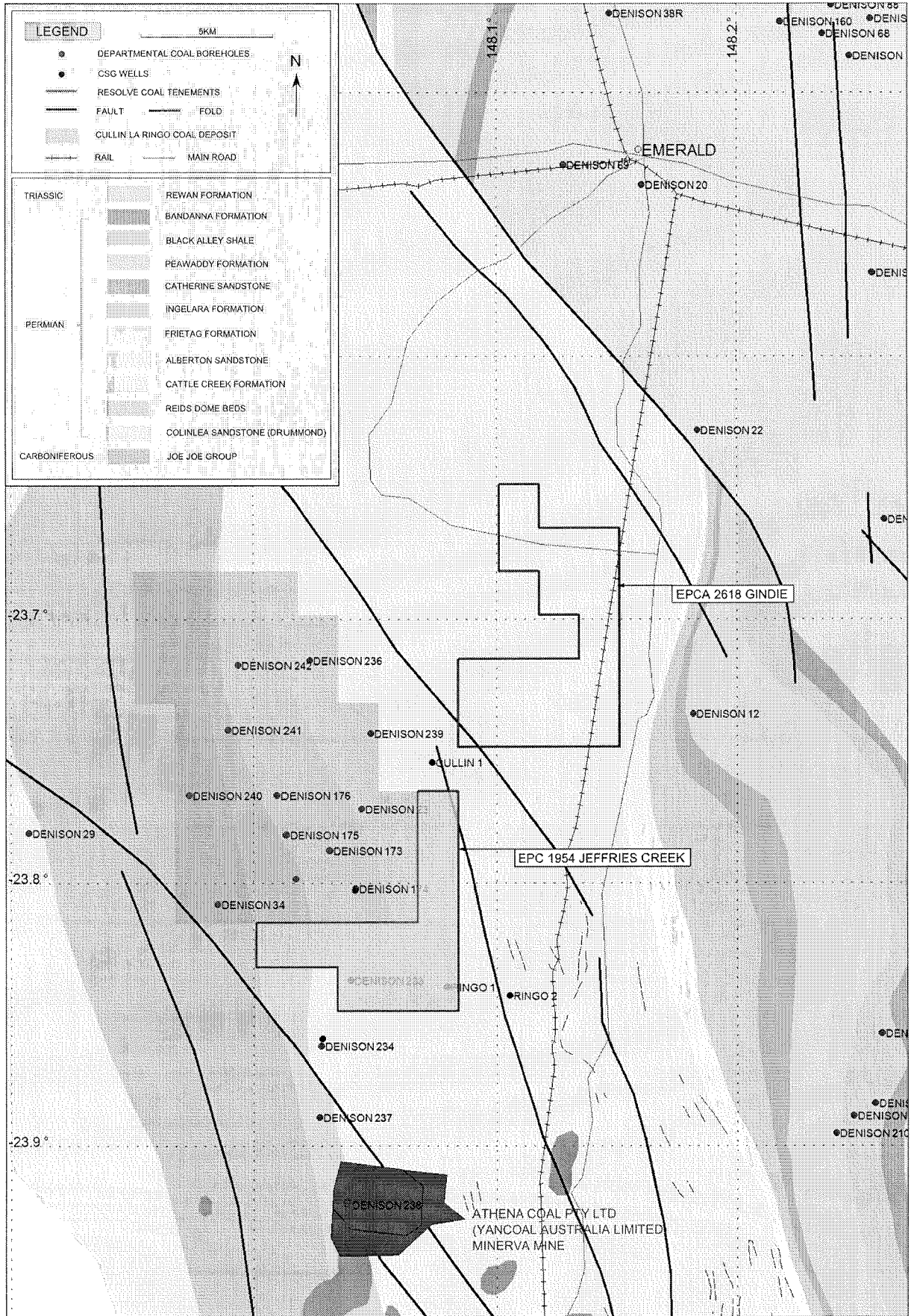
Gindie – EPCA 2618

The Gindie area is located as shown below.

The tenement application area is situated approximately 15km south of Emerald, occupying a region immediately east of the Fairbairn Dam. The area is accessed from Emerald by travel south along the Gregory Highway towards Springsure.

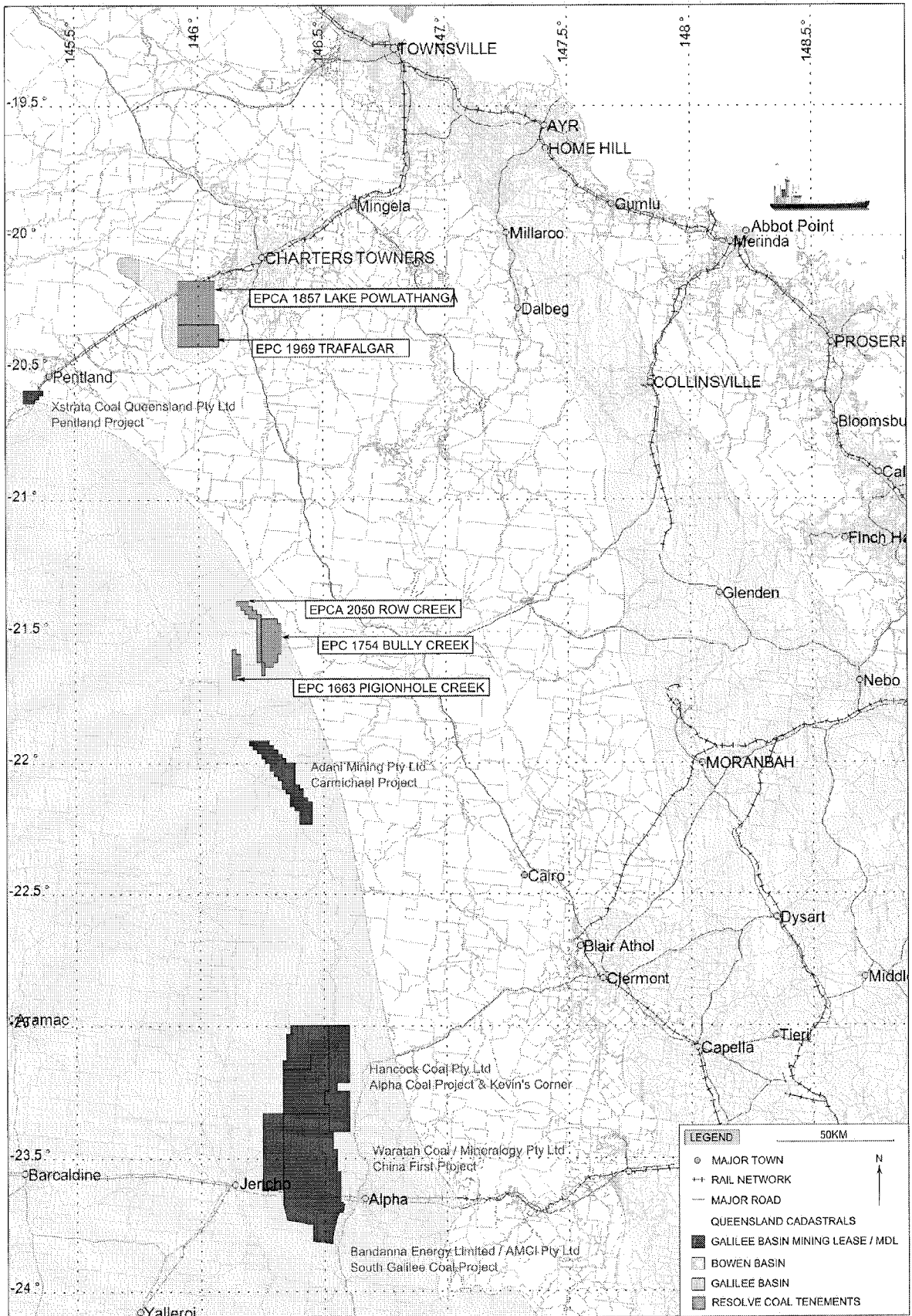
The target area is located within the southwest portion of the Bowen Basin along the northwest margin of the Denison Trough. The tenement targets potential underground development within the coal bearing strata of the early Permian Reids Dome Beds. The Reids Dome Beds gently dip east into the axis of the Denison trough, and are overlain by the Cattle Creek Group. Mesozoic sediments are absent, only Tertiary sediments and basalts lie above the Permian strata.





Galilee Tenements – EPCA 1857, EPC 1969, EPC 1663, EPC 1754 and EPCA 2050

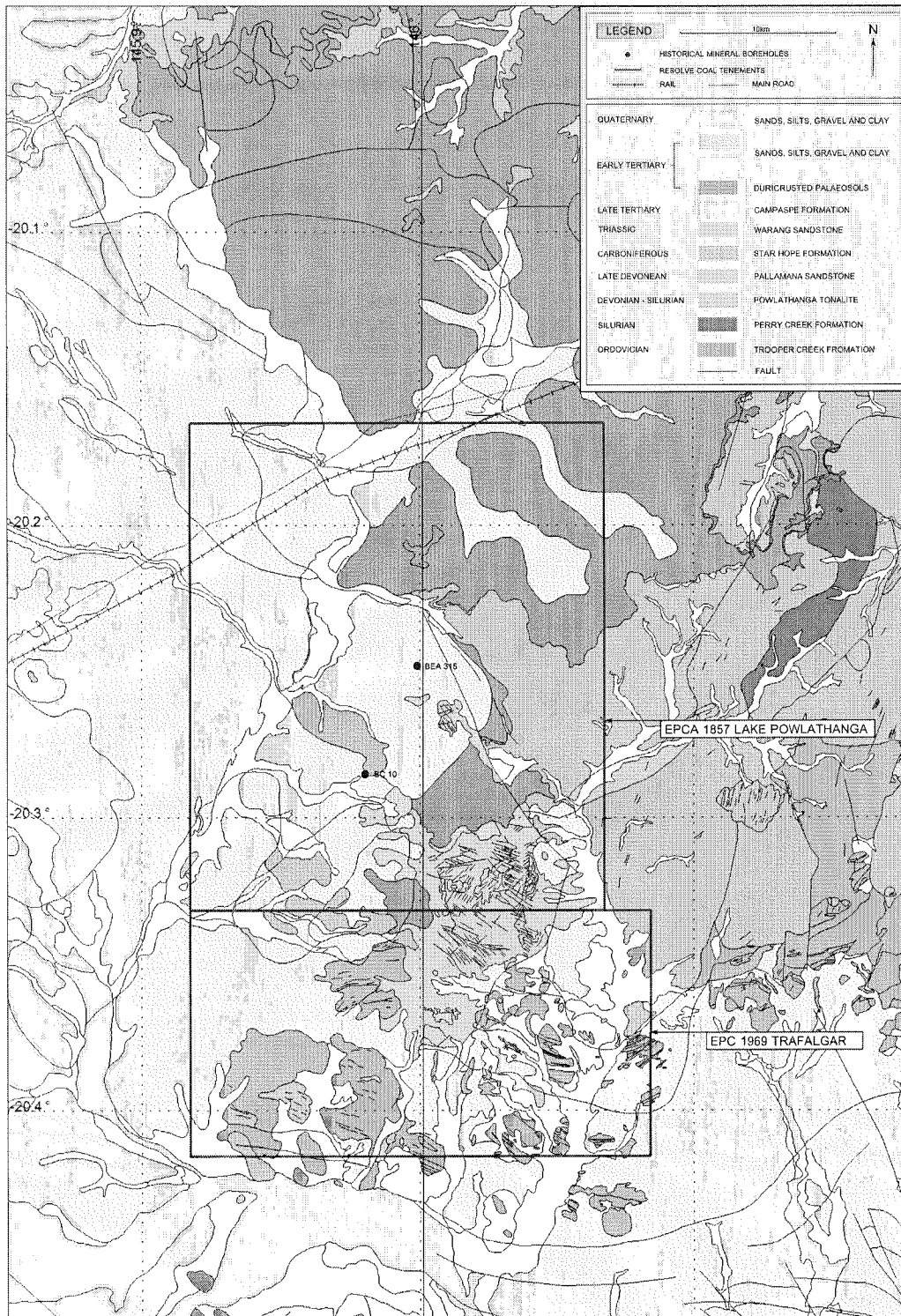
The Galilee tenement and application areas are shown below.



Lake Powlathanga / Trafalgar – EPCA1857 & EPC1969 – Galilee Basin

The tenement and application areas are located approximately 20km south west of Charters Towers and are transected by the Mt Isa to Townsville rail line, within 260km of the Abbot Point coal terminal.

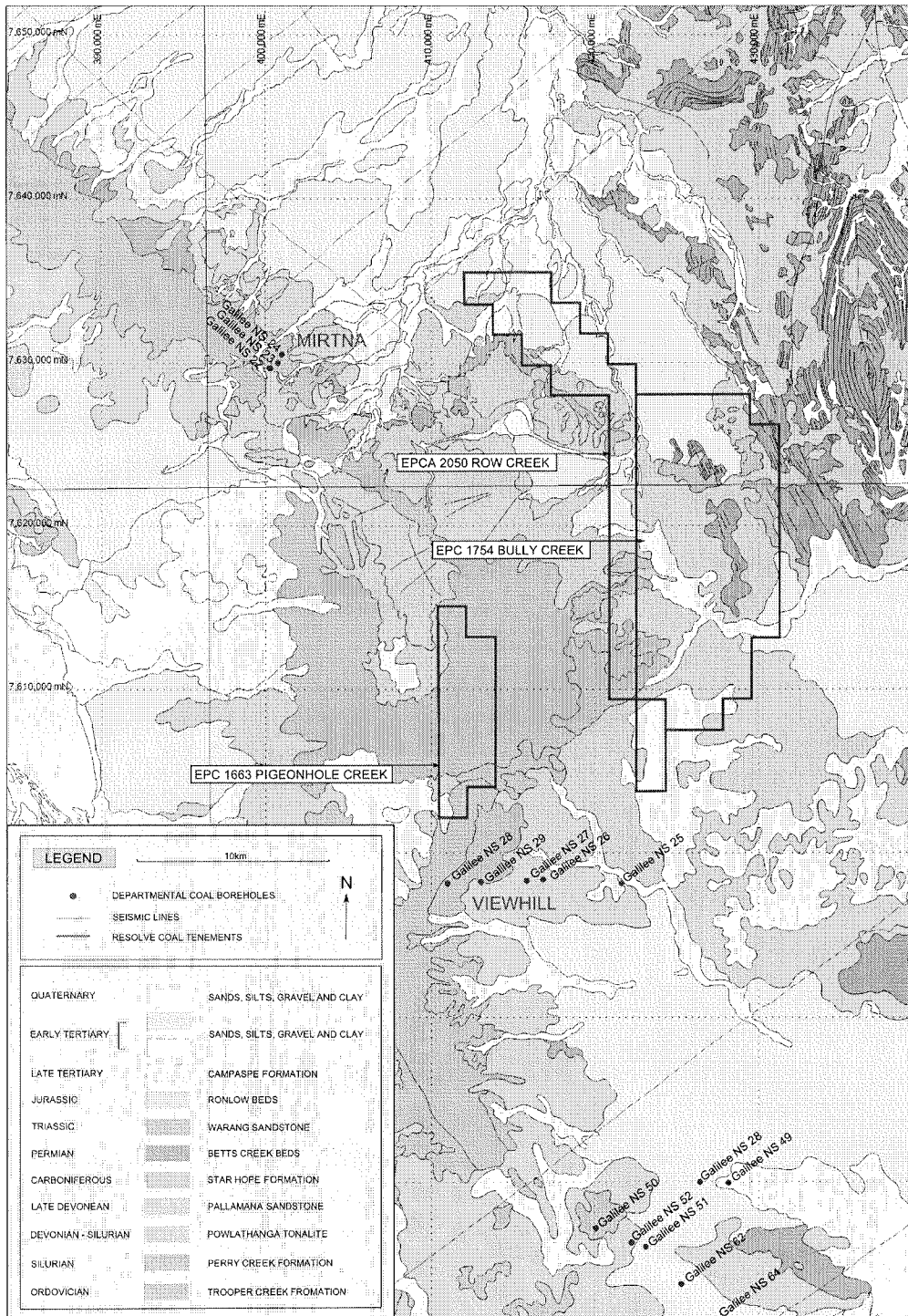
The tenement and application areas target the coal within the Betts Creek Beds. While no coal quality data is available, two mineral holes some years ago intersected 6m of coal at 41m depth and 2.8m of coal at 40.5m. The nearest coal data comes from the Pentland Mine Development Lease owned by Xstrata Coal approximately 70km to the south west.



Pigeonhole Creek / Bully Creek / Row Creek – EPC 1663, EPC 1754 and EPCA 2050 - Galilee Basin

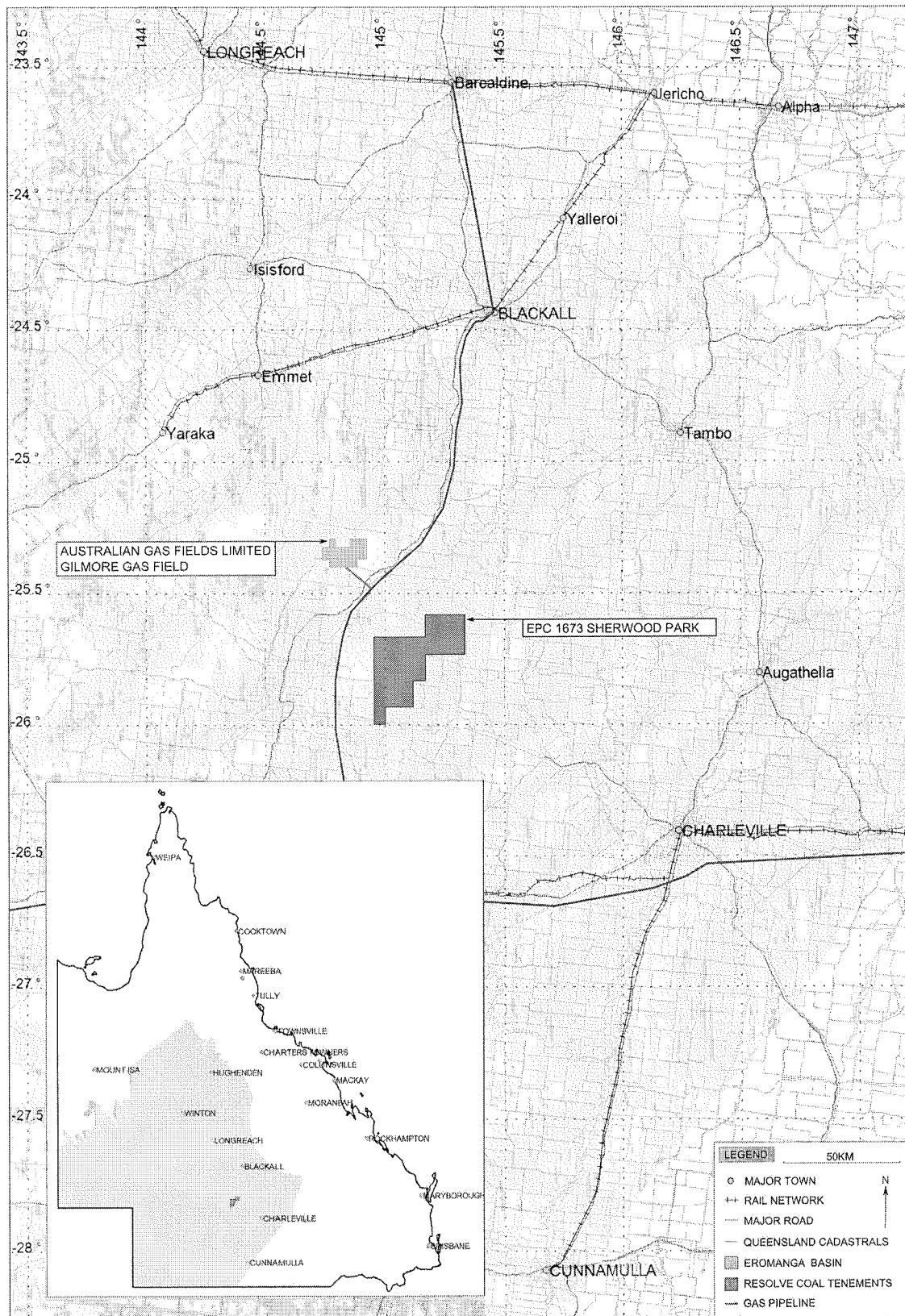
The two tenements and one application area in this package are located in the north east Galilee Basin and also target the Betts Creek Beds. The location of these tenements and application areas is currently not within easy reach of infrastructure. However, the planned rail infrastructure supporting the Hancock or Adani projects would mean these tenements and application area would be within 45km to 65km of a new heavy open access rail line.

The target is high volatile bituminous thermal coal. The Queensland Government View Hill drilling programme (5km south of EPC1663) identified a workable cumulative coal section of 39.2m. Very large resource tonnages have been reported from the adjoining Vale and Macmines tenements.

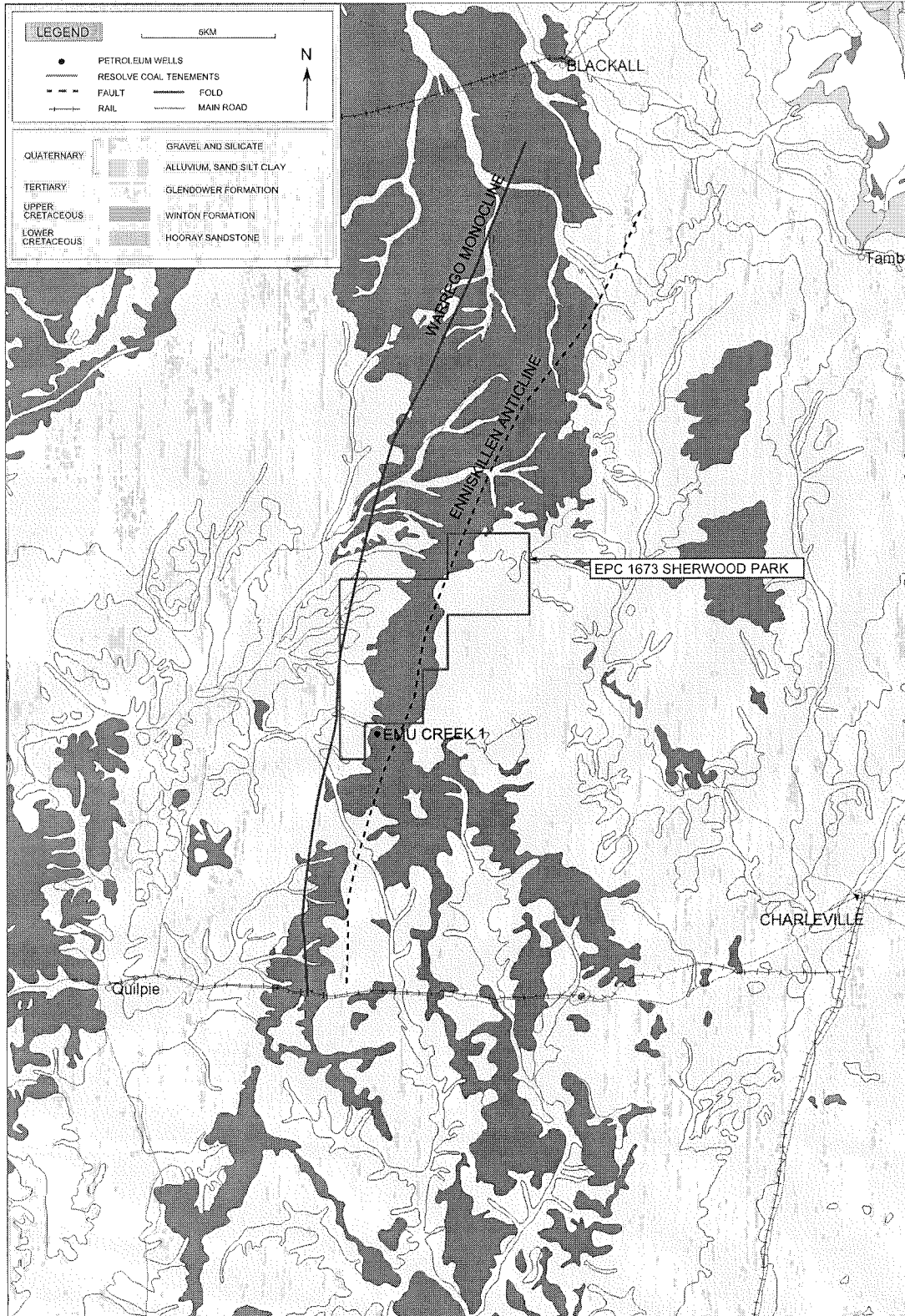


Sherwood Park – EPC 1673 - Eromanga

The Sherwood Park area is located as show below.



This tenement is located 140km north west of Charleville and 70km north of existing rail infrastructure. The target here is low ash, thick sub-bituminous coal. The Winton formation runs through the centre of the lease with coals traced through petroleum holes and water bores ranging in depth from 40m to 800m. The tenement has coal gasification rights over 75% (692km²). The petroleum pipeline servicing the Gilmore Gas Field is accessible to the tenement.



Assets in British Columbia, Canada

Resolve has applied for four coal licences in the Peace River coal field, north east British Columbia and Western Canada as listed below:

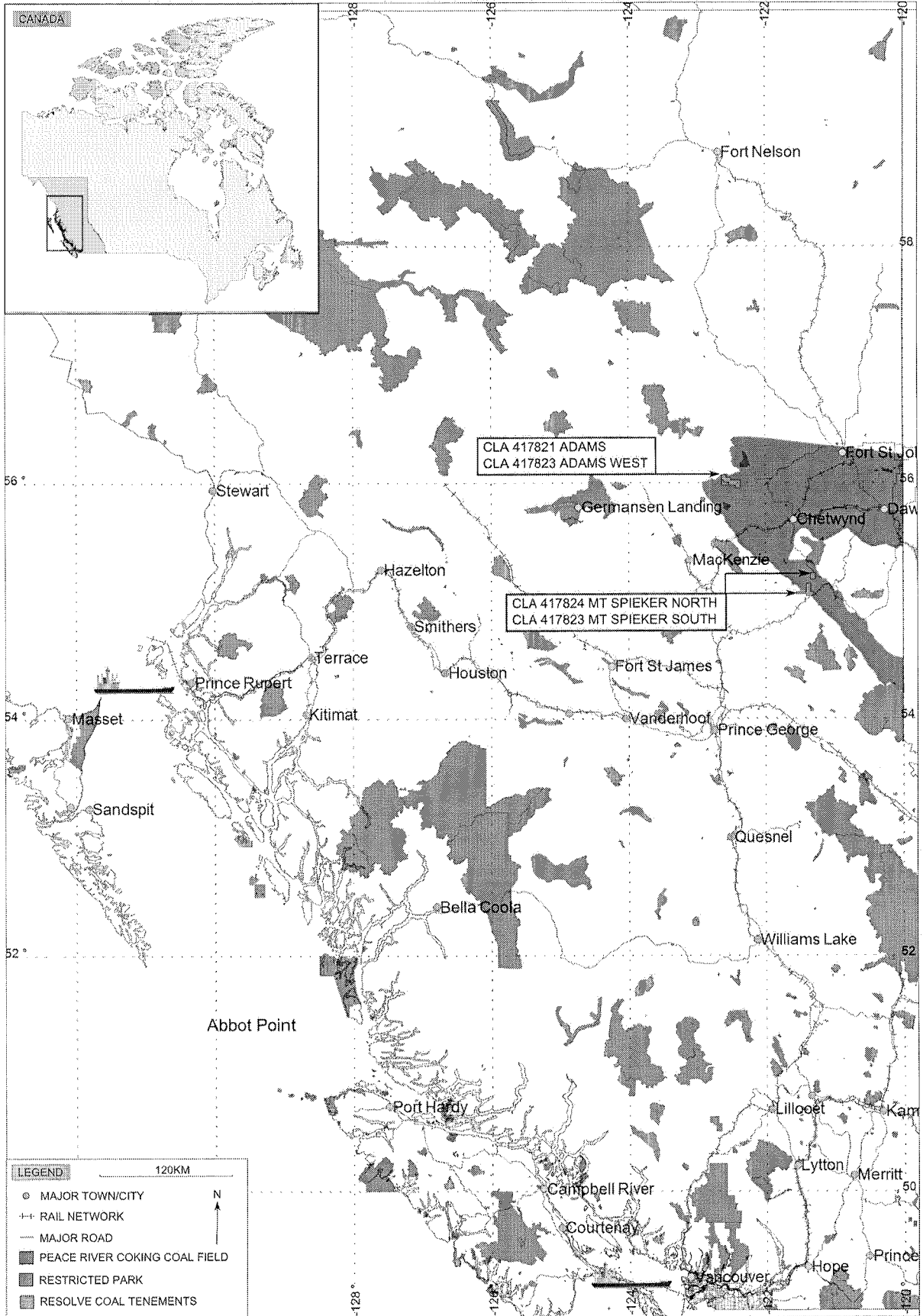
Tenement Number	Title	Location	Coal Type	Mining Method	Size (Km ²)	Resolve Holding %	Date Applied	Tenure Length (years)
CLA 417823	Mt Spieker South	British Columbia	Coking Coal	Opencut/ Underground	13.5	100	5/4/2011	Unlimited
CLA 417824	Mt Spieker North	British Columbia	Coking Coal	Opencut/	4.5	100	5/4/2011	Unlimited
CLA 417821	Adams	British Columbia	Coking Coal	Opencut/ Underground	15	100	5/4/2011	Unlimited
CLA 417822	Adams West	British Columbia	Coking Coal	Underground	3	100	5/4/2011	Unlimited

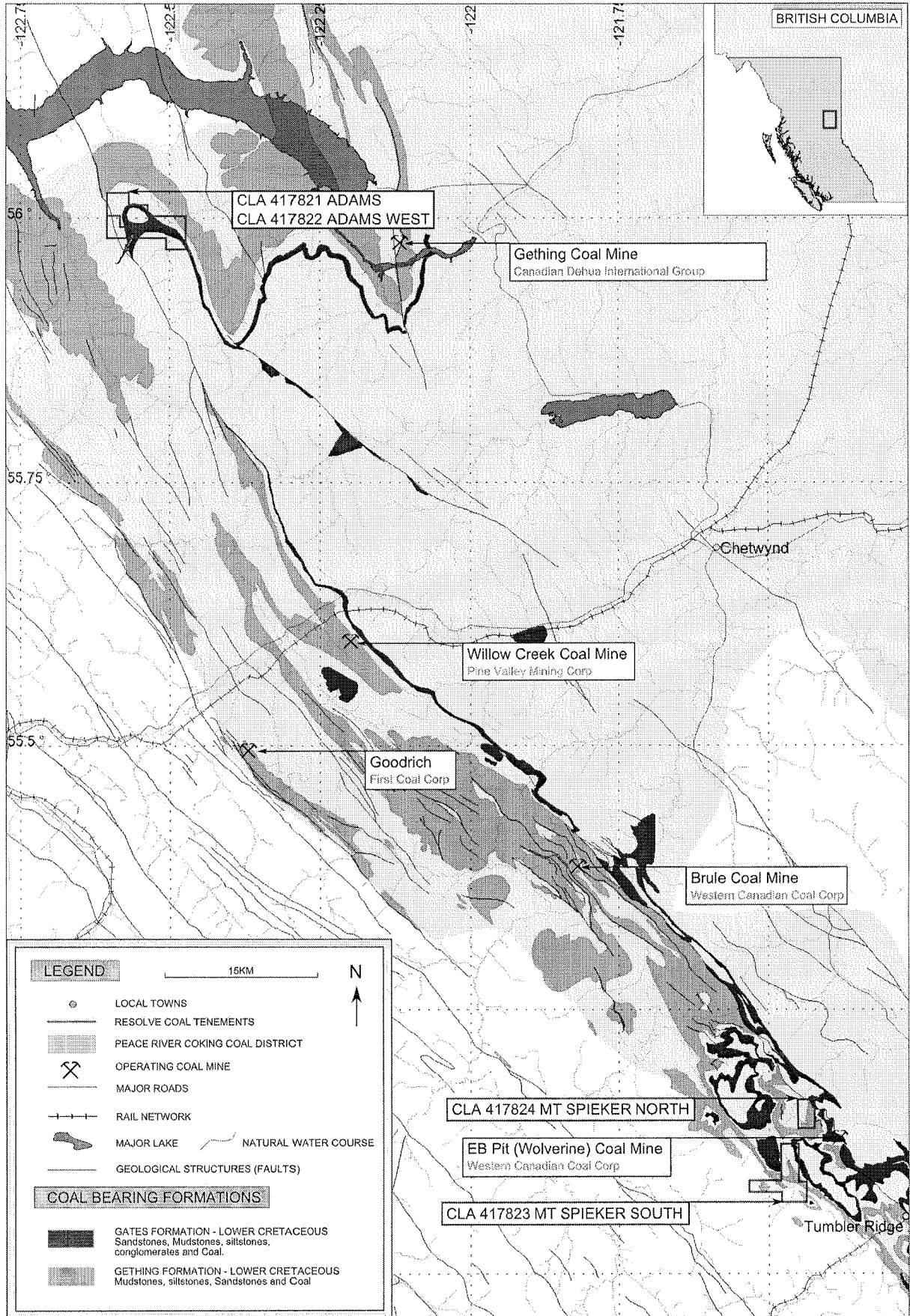
Coal types in this region are predominantly hard coking coal. Coal bore holes with coal quality data exist within the South Mt Spieker application area and they indicate a good quality coking coal resource. Boreholes in the immediate vicinity of the other three license applications show numerous coal seams with good coking properties.

All four application areas enjoy major infrastructure advantages. The Adams application areas are located within a mature coking coal basin adjacent to a number of active mines. There is existing heavy coal rail infrastructure approximately 42km to the south east. The Mt Spieker application areas are likewise well located close to existing mines and infrastructure with the nearest heavy coal rail line 8km to the south east.

Production from these areas would, in due course, be shipped via rail (currently surplus capacity) 900km west to the Port of Prince Rupert, a deep water port on the Pacific Coast with existing capacity and a substantial ability to expand.

British Columbia is Canada's largest exporter of coal and second biggest exporter of metallurgical coal globally.





Disclaimer

The information in this announcement has been collated from publicly available information and information made available to SPD during due diligence inquiries to date, and has not been independently verified by SPD. The directors of SPD are still in the process of finalising their due diligence enquiries and are in the process of preparing the notice of meeting and explanatory statement and the prospectus. The directors have issued this announcement so that the trading of SPD's securities can resume. The directors are expecting to send the notice of meeting and explanatory statement and prospectus out to shareholders over the coming weeks, which will contain further information on the acquisition, the assets and the capital raising.

Enquiries should be directed to Stephen Sedgman, managing director of SPD, on (03) 9639 1740 and Athol White, Bell Potter Securities Limited, on (03) 9235 1781.