ASX ANNOUNCEMENT

31 March 2011

Successful Shallow Seismic Survey

Seismic program to continue over 4 kilometres

Results from the shallow seismic survey completed during February and March are very encouraging.

The trial program was designed to evaluate the feasibility of using high-resolution seismic reflection surveying to image thin coal seams to 200m depths, by testing a number of seismic sources and acquisition parameters in order to identify the optimal combination of parameters that confirm the known geological structure.

The trial was conducted in the T9 / Munna target area in the vicinity of previously drilled holes CTR 111, CTR 115 and CTR 113, where drill logs and geophysical logs were available to compare and correlate results to the shallow seismic reflection data. These drill holes are spaced approximately 200 metres apart; enabling the most detailed drilling information from the area to be correlated with the seismic results.

Coal quality analyses previously completed across these drill holes reported raw coal quality ranging from PCI to coking coals.

The correlation of the three methods of testing - drilling, geophysical logging and shallow seismic testing – is good, with the seismic results confirming the broad seam structure interpreted from drilling, but also mapping the structure and correlation of seams in detail between these drill holes.

Our geological team are confident that an expanded seismic program will provide an extensive useful data set of geological structure and seam correlation in advance of, and to optimise, planned infill resource drilling.

A 4km seismic program in the T9 / Munna target area is planned to commence early April. Following analysis of the seismic data from this program, a resource-drilling program (core and RC methods) is planned to commence, while further seismic work will continue in order to extend the size of the resource drilling area.

The use of shallow seismic reflection by Tiaro should reduce the number of close spaced drill holes required, whilst better and faster target delineation will lead to quicker drilling program success.

The seismic survey is being conducted by EcoSeis, a Brisbane-based company, which specialises in conducting shallow seismic surveys for the mining and engineering industries.

T9 / Munna Exploration Target

Target estimates for the T9 / Munna area to be covered by the seismic survey on EPC 956 are in the order of 20 to 30 million tonnes. This includes a resource target in the order of 2-5 million tonnes of high quality coking coal with approximately 9% ash in washed product at a yield of approximately 68%.

For further information:

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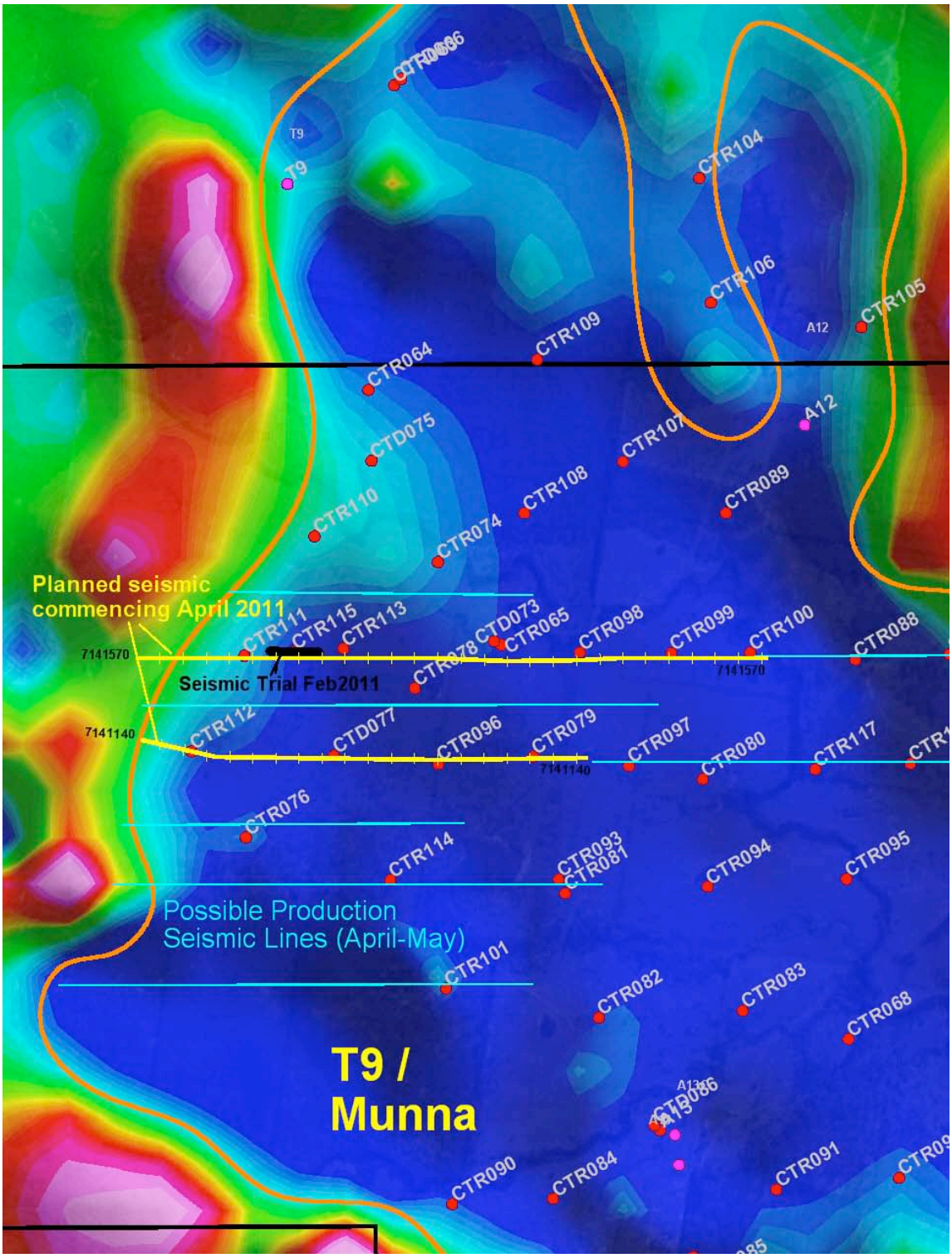
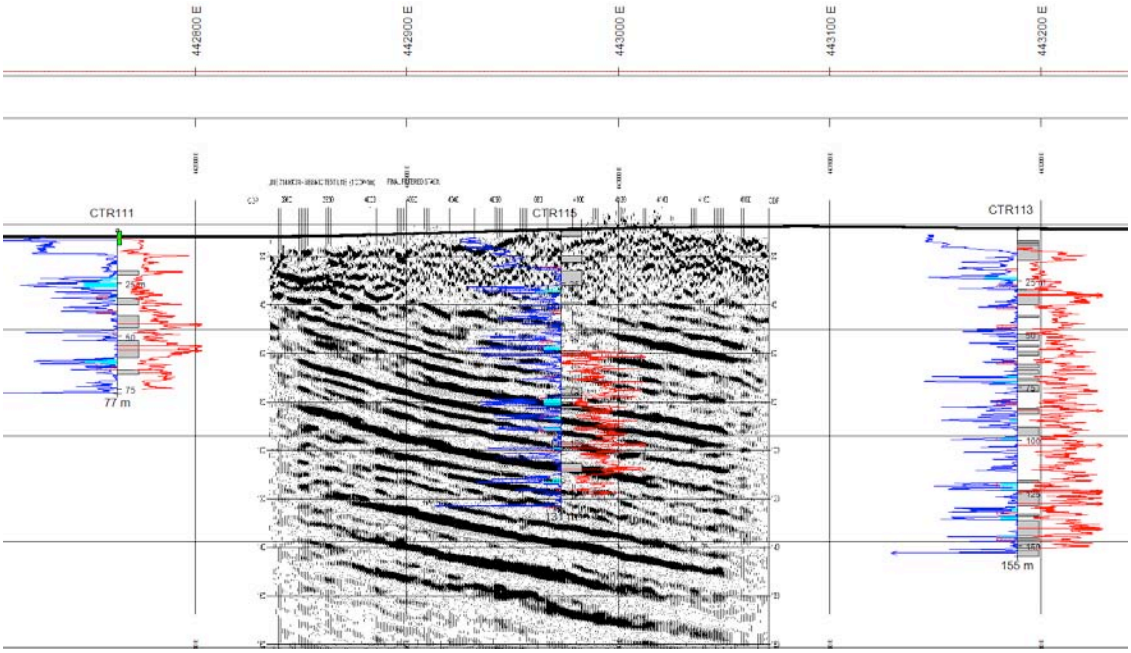
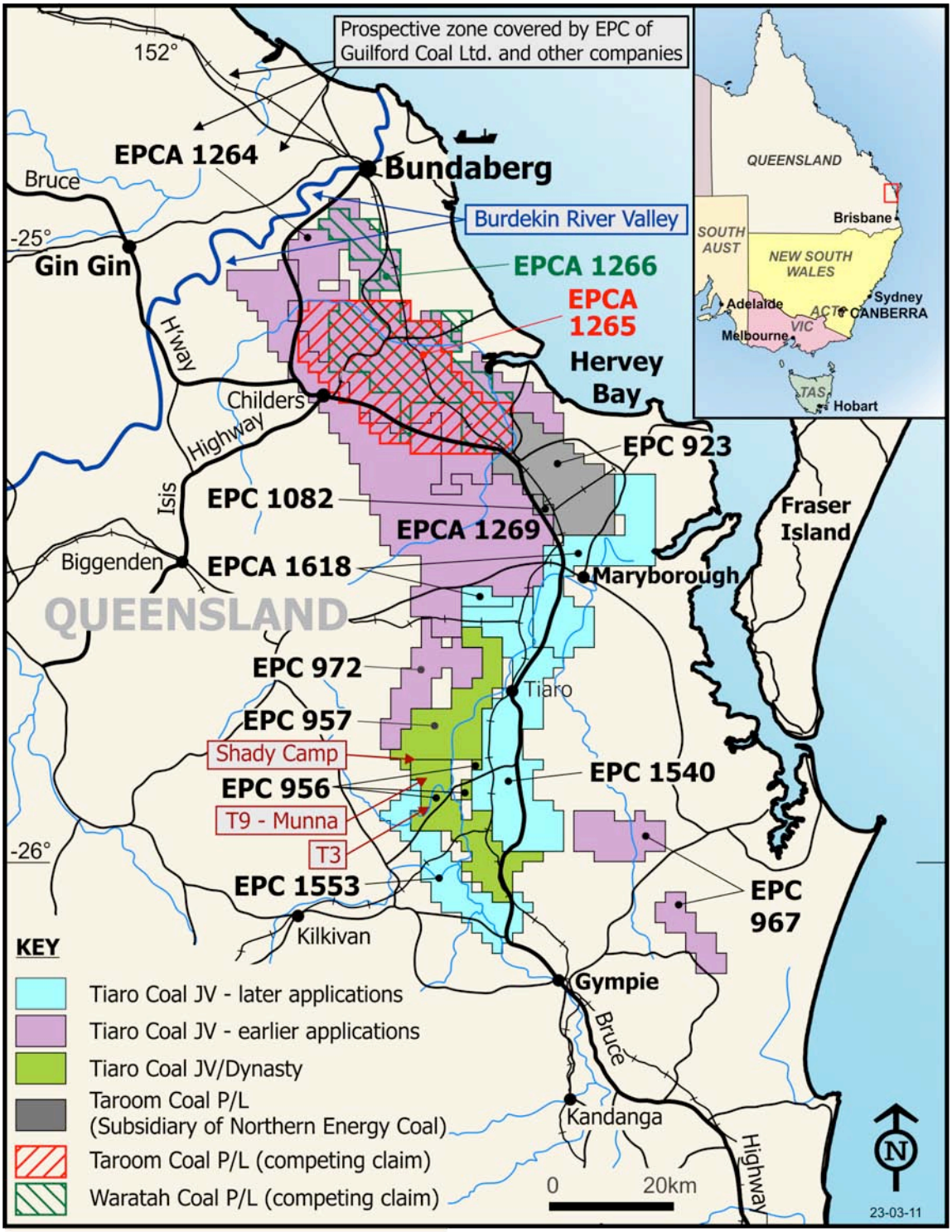


T9 / Munna shallow seismic reflection program to commence April 2011 (yellow lines), and proposed follow-up seismic (blue lines), on gravity image,



Processed seismic section from test survey February-March 2011, in relation to drill holes CTR111, CTR115 and CTR113. Also shows density trace (blue trace on left of hole – low density is to left, high to right), sonic velocity (red trace on right of hole – high velocity increasing to right), and drill hole geological observation (grey is sandstone; blue is coal, red is tuff).



Tiaro JV tenements at 31 March 2011

STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Programs is based on information compiled by Jacob Rebek who is a member of Australian Institute of Mining and Metallurgy. Mr. Rebek is a qualified geologist and is a director of Tiaro Coal Limited.

Mr. Rebek has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr. Rebek consents to the inclusion in the report of the matters based on information in the form and context in which it appears.