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Centralised Company Announcements Platform
Australian Stock Exchange
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

Priority Entitlement to Participate in New Coal Company

Please find attached an announcement detailing the creation of a Coal Investment and Exploration Company, and a Priority Entitlement to TRH shareholders to participate in the seed capital funding of the company.

Yours faithfully,

Yours faithfully,

A handwritten signature in black ink, consisting of several overlapping loops and a trailing line that ends in a small upward tick.

Ananda Kathiravelu
Non Executive Chairman



ASX Release

May 6, 2011

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Directors:
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Richard Monti
Brian Thomas
Sean Murray

Issued Capital:
45,665,474 Ordinary Shares
3,000 Class C Converting Shares
5,750,000 Unlisted Options

ASX Code:
TRH

CREATION OF COAL COMPANY AND A PRIORITY ENTITLEMENT FOR TRANSIT SHAREHOLDERS

Highlights

- ❖ TRH shareholders will be invited to participate in the early stage funding of a coal exploration company to be known as Monomotapa Coal Limited
- ❖ The priority Entitlement Offer will allow TRH shareholders the right to purchase 1 share in the new coal company for every 3 Transit shares they own, at a seed capital offering at A\$0.10 per share
- ❖ The new company will focus on coal opportunities in Africa and other locations, and allow TRH shareholders the opportunity to participate in the early stage seed round investment into the coal company
- ❖ TRH remains primarily focused on its potash investments in Utah, USA but will continue to pursue other natural resource opportunities that can enhance shareholder value

Overview

PRIORITY ENTITLEMENT IN NEW COAL VEHICLE

The shareholders in Transit Holdings Limited (ASX:TRH or "Transit") will be offered the opportunity to participate in a Priority Entitlement to acquire shares in Monomotapa Coal Limited ("Monomotapa or MCL"), a company being set up to invest in coal opportunities.

Background to the Priority Entitlement

Transit shareholders, will be invited to subscribe for A\$0.10 seed capital in MCL. MCL intends to acquire coal projects and build value through exploration and development of these properties. MCL's intended focus is on coal investments in Africa, Europe and other locations. Hugh Callaghan has been appointed as Chief Executive Officer of MCL and brings to the company a considerable experience of identifying and developing quality coal investments, including an earlier role as Founder and Managing Director of Riversdale Mining Limited.

For Transit, Mr Callaghan was instrumental during 2010-2011 in positioning TRH for advancement at the company's North American assets, having successfully negotiated the latest round of permitting and secured the company's US based CEO for the future growth of Transit's flagship project.

The Transit board has elected to pursue this strategy on behalf of all shareholders following the success of the Radar Iron spin-out as it allows the board and management to concentrate on progressing the Company's core potash assets in North America whilst also looking to build shareholder value in a new vehicle with a different commodity and regional focus.

The board of MCL will include members and representation from the Transit Board.

MCL intends to issue up to 2,500,000 shares as seed capital at A\$0.10 per share to raise \$250,000 prior to making a Priority Entitlement Offer to TRH shareholders to complete the seed capital offering.

The proposal is to raise funds from TRH shareholders on a first-come-first-served basis on the following terms:

- 1.) One new share in MCL at A\$0.10 per share for every 3 shares held in Transit as at the record date of 16 May 2011.
- 2.) It is proposed that this subscription is for ordinary shares at a minimum lot size of 40,000 shares. TRH shareholders with fewer than 120,000 shares in TRH will nevertheless be able to apply for a lot size of 40,000 shares in MCL.
- 3.) It is further proposed that the subscription will be conditional on subscribers signing a one year (12 month) escrow agreement.

A MCL prospectus will be prepared and circulated to TRH shareholders after the record date noted above. Offers of shares will be only be made in the prospectus and, in order to apply for shares, Transit shareholders will be required to complete an application form that will be attached to or accompany the prospectus.

The board of Monomotapa is expected to form a view on listing in the immediate term, on the ASX or TSX and advising shareholders in due course.

Ananda Kathiravelu
Non-Executive Chairman

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