

QUARTERLY REPORT

QUARTER ENDED 31 DECEMBER 2011

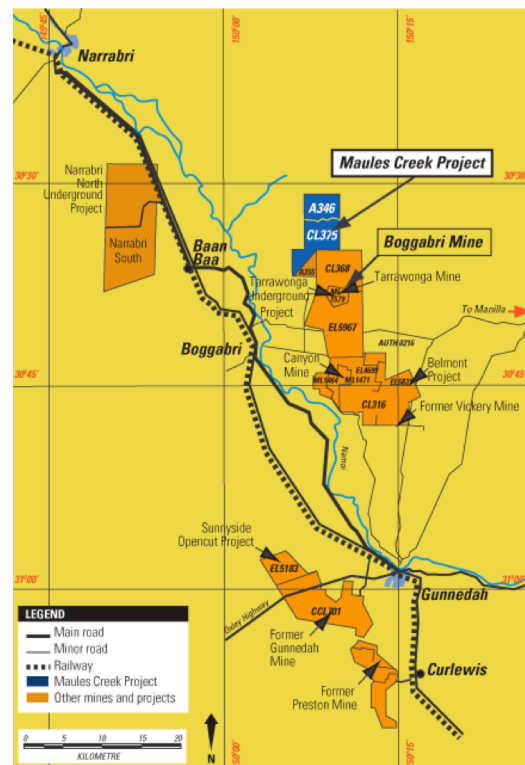
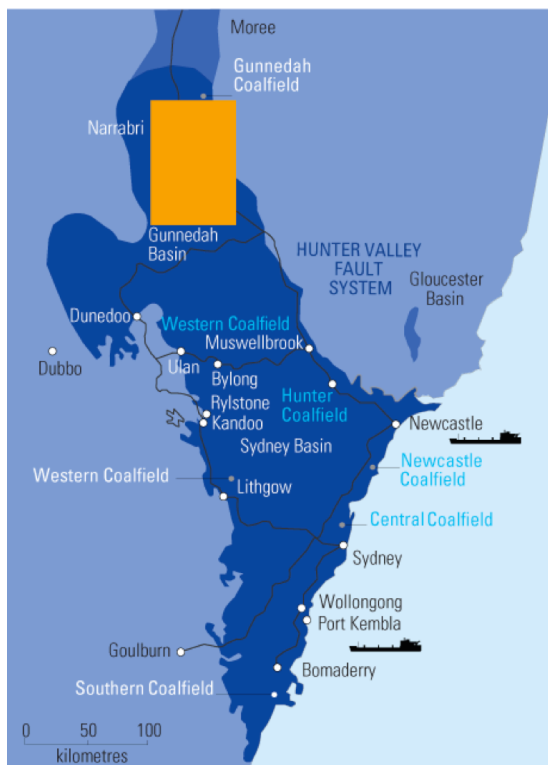
27 January 2012

KEY POINTS

- Signed Joint Venture Agreement with Boggabri Coal Pty Ltd for the design, construction and operation of a shared rail spur.
- Secured port allocation from Port Waratah Coal Services (PWCS) for a further 3.5 Mtpa from Terminal 4.
- Announced a proposed merger of equals with Whitehaven Coal Limited.
- Changes to board and senior management team announced – including appointment of two new independent directors.

MAULES CREEK PROJECT

Aston Resources' key asset is the Maules Creek Project, which is located in the Gunnedah Basin of New South Wales.



MINING TENEMENTS

The tenements held by Aston comprise:

- 85% of CL375: A mining lease for open-cut and underground mining for coal and petroleum in the tenement area. CL375 was granted in June 1991 under the Coal Mining Act 1973 (NSW); and
- 85% of A346: An exploration license which was first issued in 1984 and last renewed in August 2006¹.

In February 2011, Aston lodged its application under Part 3A of the *Environmental Planning and Assessment Act 1979* (NSW). The appointed Planning Assessment Committee (PAC) conducted a public hearing in November. In December, the due date for the PAC report was extended to 24 February 2011 to allow the PAC more time to consider the substantial volume of material provided. Accordingly, planning approval is now expected in the second quarter of calendar 2012, with construction commencing in mid 2012 and first commercial coal in mid-2013 – ramping up to 10.5 Mtpa by 2016.

MAULES CREEK JOINT VENTURE

As previously announced, in October 2011, Aston entered into a conditional agreement with J-Power Australia Pty Ltd for the sale of a 10% stake in the Maules Creek Project for A\$370 million payable in a single tranche upon completion. The transaction includes a long-term thermal coal sales agreement between the Maules Creek Joint Venture and Electric Power Development Co., Ltd. The transaction is conditional on ITOCHU, Aston's existing Joint Venture partner, consenting to the terms of the transaction.

As at January 2012, the conditions to completion remain outstanding.

SIGNING OF RAIL SPUR AND INFRASTRUCTURE JOINT VENTURE

In December 2011, Aston Resources Ltd, on behalf of the Maules Creek Joint Venture, signed a Joint Venture Agreement with Boggabri Coal Pty Limited for the design, construction and operation of a shared rail spur.

The Maules Creek Joint Venture will have the right to rail 10.8 Mtpa, with the ability to increase this throughput to 15 Mtpa upon receipt of appropriate approvals. Boggabri Coal will have the ability to rail 10 Mtpa, with the ability to rail 13 Mtpa upon receipt of appropriate approvals.

Importantly, Boggabri Coal and the Maules Creek Joint Venturers will each grant and register easements over land they hold within the rail corridor – ensuring that access to the main rail line is protected until the end of mine life of the Maules Creek Coal Project or the Boggabri Coal Mine (whichever is later).

In addition, the parties have signed a term sheet under which they have agreed to, amongst other things, evenly split the costs associated with:

- the shared TransGrid transmission line and upstream communications and control equipment; and
- the use of the existing Boggabri Haul Road as an access road for both the Maules Creek and Boggabri Mines.

¹ Assuming completion of the conditional asset sale to J-Power Australia Pty Ltd, this will be reduced to a 75% interest in each of the tenements. The sale is conditional on, amongst other things, the consent of Aston's joint venture partner ITOCHU.

PWCS PORT CAPACITY

In December, on behalf of the Maules Creek Joint Venture, Aston Accepted a further allocation from Port Waratah Coal Services (PWCS) of 3.5 Mtpa from 2015 (or the delivery of Terminal 4). The increase of 3.5 Mtpa is in addition to the existing allocations of 1.7 Mtpa from 2013, 3.3 Mtpa from 2015 and a three-year substitute shipper arrangement at NCIG.

DESIGN AND TENDERING WORKS

Detailed design for the CHPP and surface infrastructure was materially complete by year-end. Tendering of design and construction of surface infrastructure facilities and bulk earthworks will continue during the first quarter of calendar 2012.

The design of the rail spur has been completed, the construction works tendered and final negotiations with preferred contractors is continuing.

Aston remains on track to complete all design and tendering works before the commencement of contractor mobilisation in mid 2012.

MERGER OF EQUALS WITH WHITEHAVEN COAL

On 12 December 2011, Aston and Whitehaven Coal Limited announced that they had agreed to an all-scrip merger of equals that would result in the creation of a leading independent Australian coal producer. Under the terms of the Scheme Implementation Agreement, if the merger is implemented, Aston shareholders will receive 1.89 Whitehaven shares for each Aston share (following distribution of a Whitehaven special dividend of \$0.50 per share to existing Whitehaven shareholders). Whitehaven has also agreed, conditional upon the merger proceeding, to acquire 100% of unlisted coal explorer, Boardwalk Resources Limited. The directors of Aston, including the independent directors, are strongly supportive of the merger and recommend that shareholders vote in favour of the transaction in the absence of a superior proposal and subject to the Independent Expert concluding that the transaction is in the best interests of Aston shareholders. The merger is expected to create a major supplier of metallurgical and thermal coals, with a strategic infrastructure position and the ability to harness significant synergies from the consolidation of Gunnedah Basin mining operations.

Further information

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