ENERGY to GROW

Blackwood Corporation announces 300 – 420 Mt Thermal Coal JORC Exploration Target at Bymount Project

August 20, 2012

ASX: BWD

Level 8
102 Adelaide Street
Brisbane, QLD, 4000
T: +61 7 3034 0800
F: +61 7 3034 0899
E: info@bwdcorp.com.au

Highlights

- **JORC Exploration Target of 300 – 420 Million Tonnes[A] of open-cut depth thermal coal at Bymount Project**
- **Historical data captured, coded, validated and reinterpreted** – Over 340 historical drill holes are used in the geological model.
- **Forward work programs** – Follow-up and confirmation drilling has commenced; coal intersected.
- **Blackwood now has a combined total of 3.59 to 5.16 Bt[#]** of JORC Exploration Target tonnes from its South Pentand (2.1 – 3.2 billion tonnes – underground with potential open-cut)[B], Taroom (1.0 to 1.3 billion tonnes – open-cut)[C], Chinchilla (190-240 million tonnes - open-cut)[D] and Bymount projects.

[A]Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement

Blackwood Corporation Limited (ASX: BWD, "Blackwood") has identified a JORC Exploration Target for the Bymount Project **within the range 300 million tonnes to 420 million tonnes**[A]. This target is the result of a comprehensive review of all available data before building a detailed geological model of the Project area and coal seams. A small drill program was also conducted and was used to confirm the historical data. From the data available, the project appears to have the potential for open cut operations.

Todd Harrington, Chief Executive Officer of Blackwood Corporation, said the exploration target would allow the company to continue to fast-track its exploration program and better understand the company's pipeline of projects.

"This target adds significantly to the exploration opportunities we are investigating in the Surat, Bowen and Galilee basins. Our exploration targets in the Surat Basin alone are now exceeding 1.4 billion tonnes, adding significant opportunities for us to further examine throughout the course of 2012/2013.

"Over 340 drill holes were included in modelling of the Bymount exploration target, providing a detailed and conservative exploration target for the Company and its shareholders. Our research and modelling approach has delivered an exploration target underpinned by our understanding of historical data in the area. We are able to continue to prioritise our assets and focus on providing the most effective exploration programs to deliver shareholder value.

Mr Harrington added that Blackwood was turning its attention towards unlocking value from the projects through infrastructure opportunities.

"We now fundamentally understand the rail and port solutions available to Blackwood. Discussions will continue on this front to ensure that the projects are given complimentary infrastructure solutions, further enhancing their potential for possible development at some point in the future," he said.

[A]Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement

Bymount Project Overview

The Bymount Project is 100% owned by Blackwood Corporation Limited through its subsidiary Matilda Coal Pty Ltd. The Project is located in the western part of the Surat Basin, 25km south-west of the Injune township and 50km north of Roma, Figure 1.

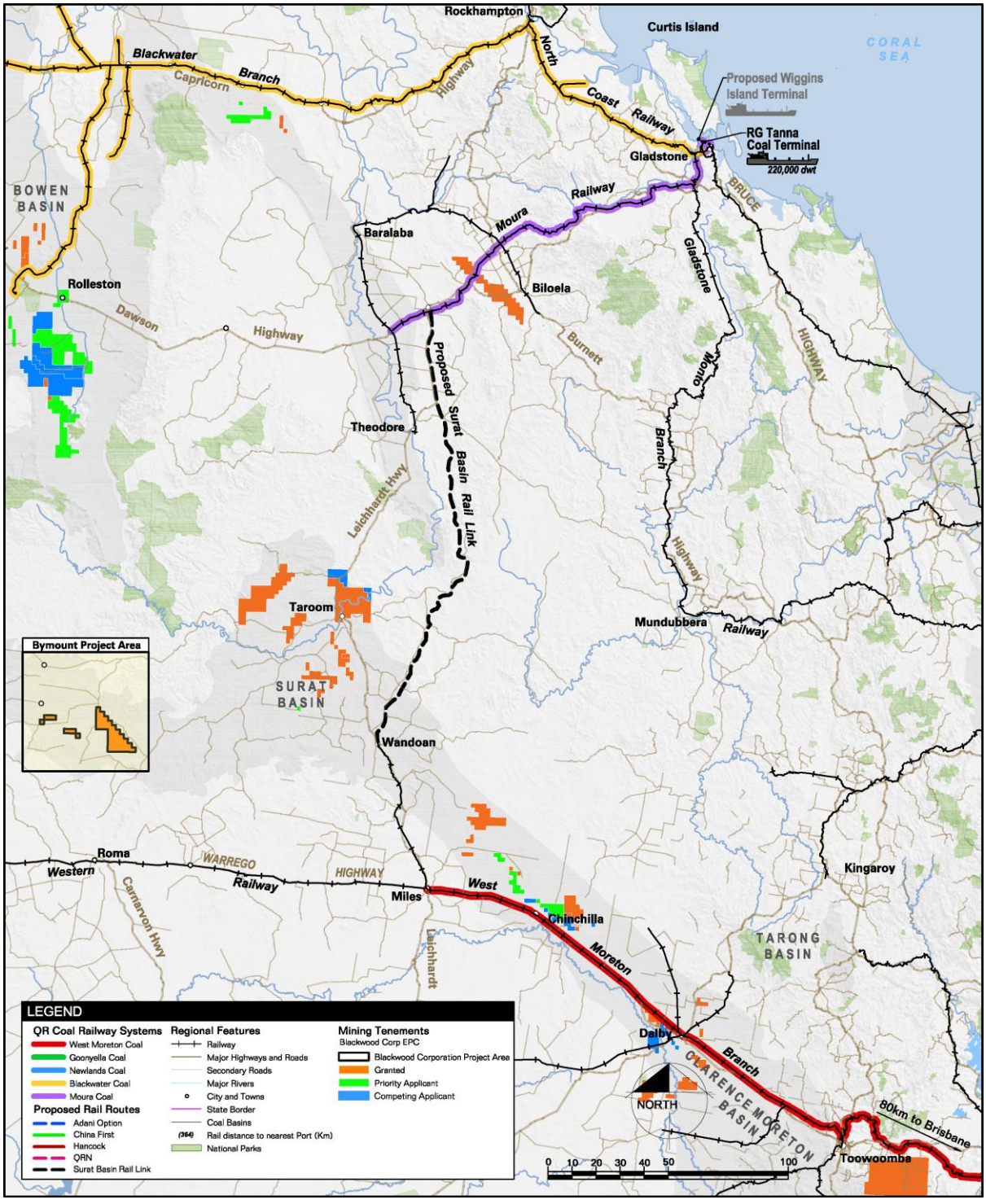

Figure 1: Blackwood Corporation's Bymount Project (highlighted) and associated infrastructure

The Bymount Project is close to existing major roads (Carnarvon Development Road & Roma – Taroom Highway), while and rail infrastructure is already established 50km to the south.

The Bymount Project is 148 km^2 in total and is comprised of 3 tenures (EPC's 1563, 1600, 1724), covering 49 granted sub blocks (Figure 1).

Blackwood is exploring the coal seams of the Walloon Coal Measures, which are the main coal-bearing sequence throughout the Surat Basin. These sequences have demonstrated potential for significant quantities of export quality thermal coal.

The Bymount Project contains the Wambo, Iona and Argyle coal seams of the Juandah Coal Measures and the Auburn, Bulwer and Condamine seams of the Taroom Coal Measures, part of the Walloon subgroup (Figure 2). These coal measures and the seam groups contained within are known to be regionally consistent and correlatable for hundreds of kilometres. Blackwood's geological team have produced a 3D regional model that maps the Juandah Coal Measures, Tangalooma Sandstone and the Taroom Coal Measures, Hutton Sandstone, Evergreen and Precipice Sandstone as groups, while an additional local model was made to correlate and quantify the coal seams in the project area.

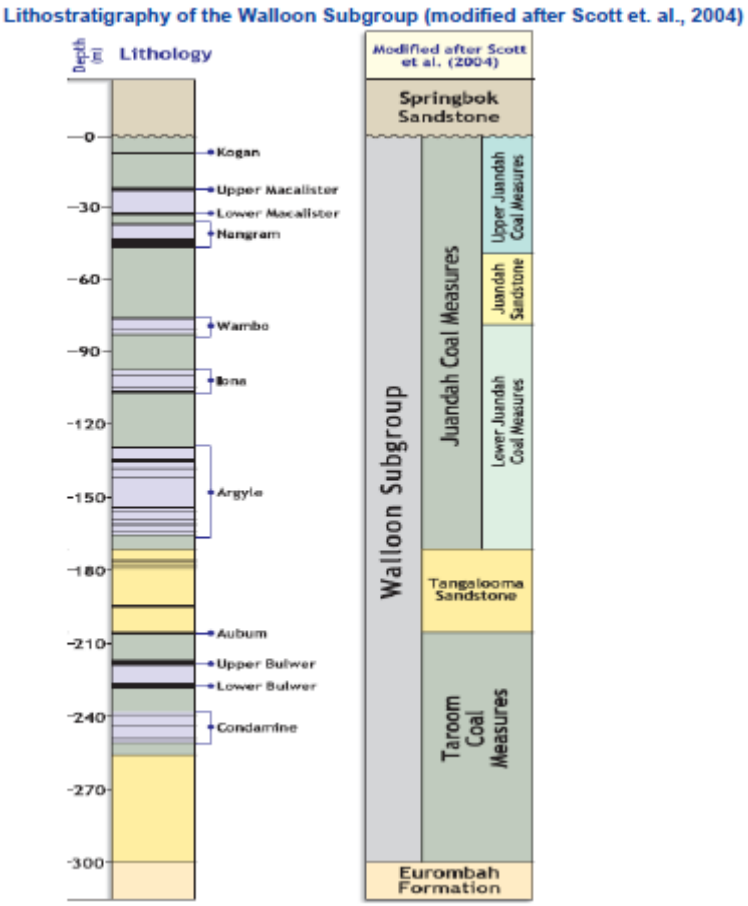

Figure 2: Surat Basin - Walloon Subgroup

Bymount Exploration Target

Blackwood has identified a JORC Exploration Target for the Bymount Project **within the range 300 million tonnes to 420 million tonnes**[A]. This target is the result of a comprehensive review of all available data before building a detailed geological model of the Project area and coal seams.

This exploration target is based upon borehole collars and seam picks that were interpreted by Blackwood personnel, collated into a Mincom GDB Database, correlated and modelled in Minescape. An independent geological model review was undertaken by Lyon Barrett of Measured Resources Pty Ltd.

The geological model has been constructed as a high level seam group model with no individual seam plies currently defined in the model. The geological model is a parting model where any non-coal intervals included in a seam group are excluded during the estimation stage to only report material that has been designated as coal. Hence all stone/waste intervals have been excluded from the quantities reported for each seam group.

Constraining factors for the Exploration Target were:

- Only seams with an average thickness >0.25m thickness and <150m depth were used in the estimation of the Exploration Target;
- Coal seams are not weathered or intruded; and
- An appropriate geological loss factor of 35% was applied to all seams to account for unexpected seam splitting and thinning.

Although there are numerous coal seams in the region, only the confident interpretations and correlatable coal seams of the Bulwer, Auburn, Wambo, Iona and Argyle seams were included for the Exploration Target.

A conservative relative density of 1.35 was applied to the coal seams. The coal quality of seams is assumed to be consistent with other "Northern Surat" coals. Coal quality stated here is derived from core holes drilled on an adjacent deposit (Cornwall Deposit – Aquila Resources ASX announcement 4 May 2012). The parameters and the ranges which were reported in the Aquila Resources announcement were as follows (all on an air dried basis): raw ash level is 5.6% with a mean of 18%, minimum volatile matter is 26.8% (ADB) with a mean of 39.4%. Mean GCV are 25.36 MJ/kg and 6,056 kcal/kg (adb). This announcement does not, however, contain a range of values for the analysis – consequently, the following values have been used in the Exploration Target.

Raw Coal analysis – air dried basis (ad)	From	To
Moisture %	5.7	9.9
Ash %	9.8	31.3
Volatile Matter %	28.7	43.9
Fixed Carbon %	27	40
Sulphur %	0.22	0.51
Specific Energy (Calorific Value) Mj/kg	21.62	28.10
Specific Energy (Calorific Value) kcal/kg	5162	6709
HGI	36	48

Table 1 details the parameters and the ranges reported in Aquila Resources Cornwall Deposit which is within the geological model area, as announced by Aquila Resources to the ASX on 4th May 2012.

[A]Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement

Figure 3 shows the subcrop of the Argyle seam and its associated floor contours as well as the subcrop of the Bulwer Seam. Additionally the approximate location of the 466Mt Cornwall coal resource as defined by Aquila Resources Limited (Argos (QLD) Pty Ltd is a subsidiary of Aquila Resources Limited) is shown adjacent to the project.

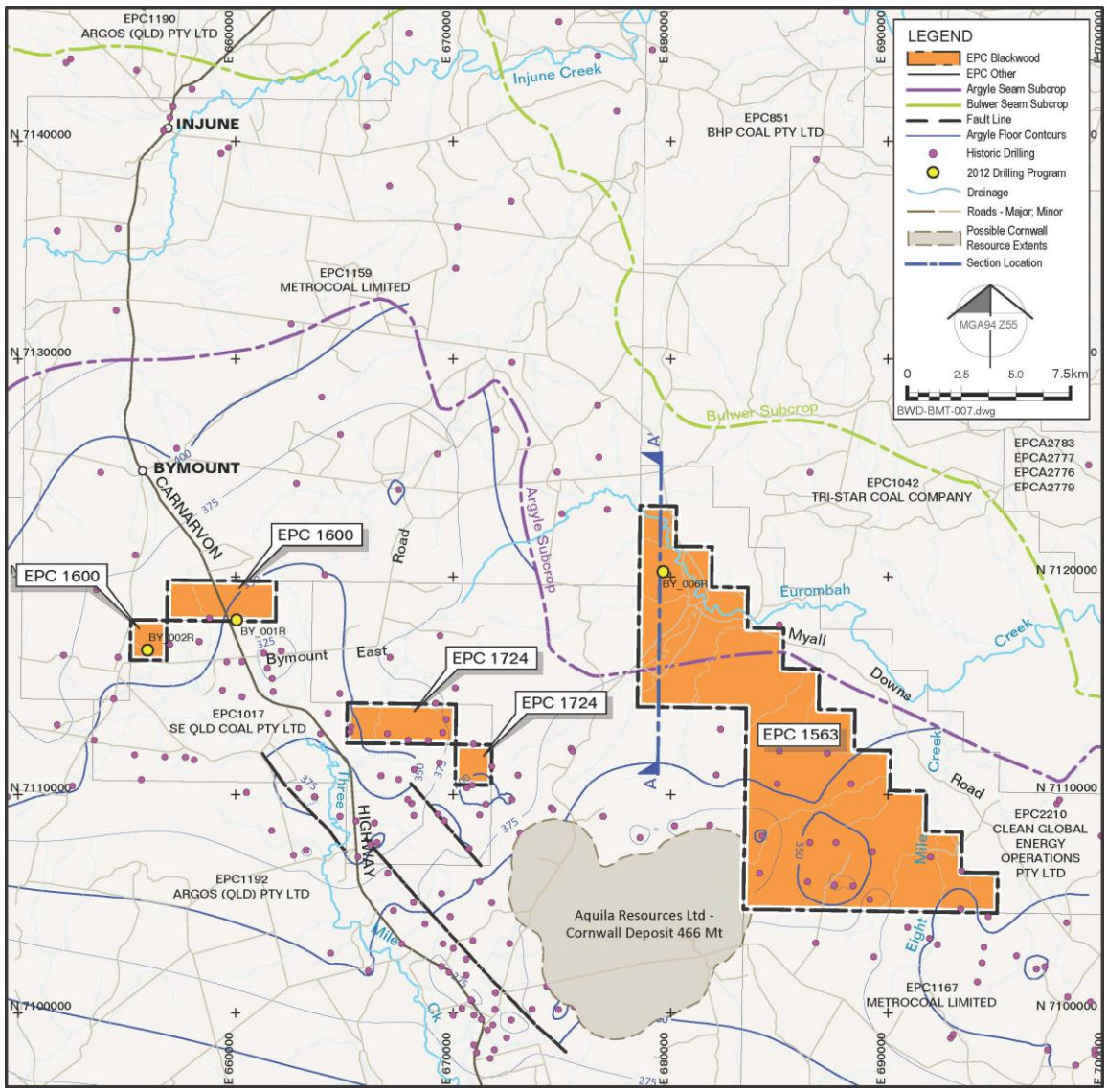

Figure 3 – Argyle seam subcrop with floor contour and Bulwer Subcrop.

Exploration drilling has commenced (3 holes completed), but unseasonal rain has delayed the completion of the program. Drilling will recommence soon in conjunction with Taroom Project work in the adjacent area, Figure 5. Initial scout/confirmation drilling results for EPC 1600 and EPC 1724, confirm coal at less then 150m depth. Results are presented in Table1 below.

HOLE ID	DEPTH	CUMULATIVE COAL	EPC	EASTING	NORTHING
BY_001R	121.56	7.09	EPC 1600	660042	7118014
BY_002R	103.38	8.51	EPC 1600	655945	7116636
BY_006R	124.44	5.64	EPC 1563	679650	7120227

Table 1 Initial Bymount drilling results

Figure 4 is a schematic cross-section illustrating the shallow dipping coal bearing formations of the project area. The section is on the blue line: A-A[1] shown on Figure 3.

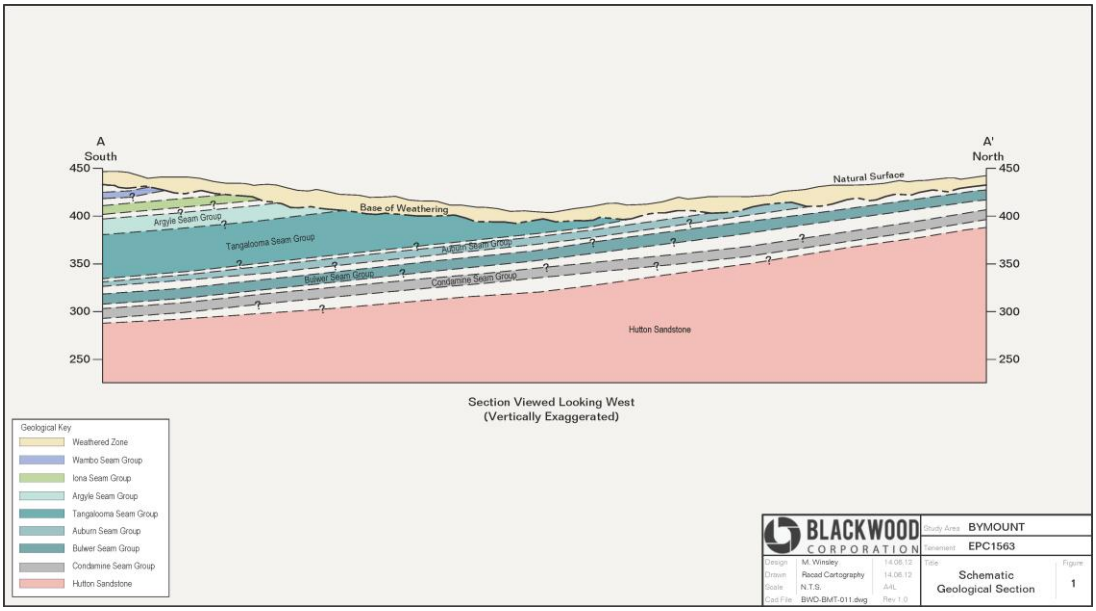

Figure 4 – Schematic cross-section from line A-A[1] on Fig 3.

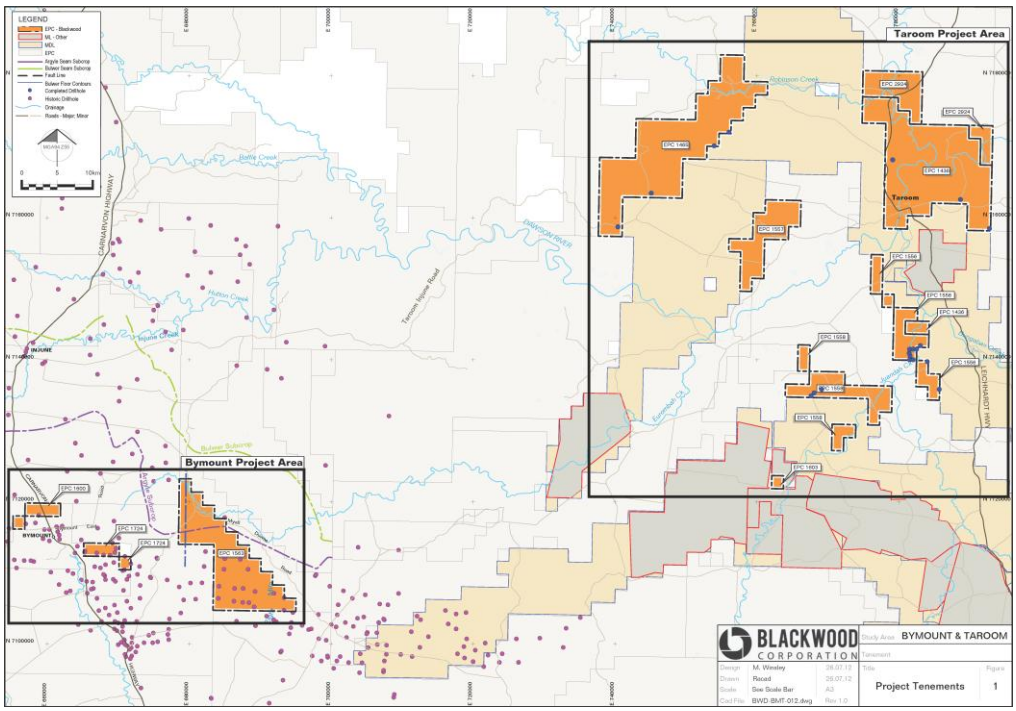

Figure 5-Bymount and Taroom project areas will be the focus of Blackwood Surat exploration in 2012

About Blackwood Corporation

Blackwood Corporation Limited (ASX: BWD) is an emerging Australian energy and resources company with a primary focus on the exploration and development of its coal tenement portfolio in Queensland, Australia. Through its wholly owned subsidiary, Matilda Coal Pty Ltd, Blackwood Corporation holds tenure of over 5,800km^2 in world class and internationally recognized coal basins, including the Bowen Basin, Galilee Basin, Surat Basin and Clarence-Moreton Basin. Many of its assets are adjacent to proven coal reserves of significant size and export quality, as well as excellent infrastructure.

Competent Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets and Minerals Resources is based on information compiled by Mr Mark Winsley and Mr Lyon Barrett, who are both members of The Australian Institute of Mining and Metallurgy (AUSIMM).

Mr Barrett is engaged as Principal Resource Geologist/Director at Measured Resources Pty Ltd and 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 Reserves. Mr Barrett consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Mr Winsley is Blackwood Corporation Limited's General Manager – QLD Exploration and 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 Reserves. Mr Winsley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Exploration Targets

[#] *Note: All references to Exploration Targets in document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement.*

[A] *Note: All references to Exploration Targets in document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the Bymount Project are as follows (all on an air dried basis): Moisture 5.7-9.9, Raw Ash 9.8-31.3, Volatile Matter 28.7 – 43.9, Fixed Carbon 27 - 40, Total Sulphur 0.22 - 0.51, SE 5162 - 6709 kcal/kg.*

[B] *Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the South Pentland Project are as follows (all on an air dried basis): Moisture 7.6-11.6, Raw Ash 9.5-43.4, Volatile Matter18.4-32.6 , Fixed Carbon 20.6 -55.3 , Total Sulphur 0.25 - 0.31, SE 3492 - 6064 kcal/kg.*

[C] *Note: All references to Exploration Targets in document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the Taroom Project are as follows (all on an air dried basis): Moisture 5.7-9.9, Raw Ash 9.8-31.3, Volatile Matter 28.7 – 43.9, Fixed Carbon 27 - 40, Total Sulphur 0.22 - 0.51, SE 5162 - 6709 kcal/kg.*

[D] *Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the Chinchilla Project are as follows (all on an air dried basis): Moisture 8.0-10.4, Raw Ash 13.8-28.8, Volatile Matter34.1-40.1, Fixed Carbon 32.0-35.7, Total Sulphur 0.31-0.43, SE 4814 – 5817 kcal/kg.*

For more information please contact:

Todd Harrington

Chief Executive Officer

Phone +61 (0) 7 3034 0800