



ACN 117 763 443

ASX ANNOUNCEMENT

19 December 2012

COLUMBOOLA JV – GOOMBI MAIDEN RESERVE ANNOUNCED

Highlights

- Resource upgraded to 26.2 Mt Probable Reserve
- Average stripping ratio of 5.9 : 1
- Possible future export through the Port of Brisbane

MetroCoal Limited (**ASX-MTE**) and its Joint Venture (JV) partner, SinoCoal Resources Pty Ltd, recently announced an open cut indicated resource at the Goombi in the Columboola Joint Venture Area in EPC 1165. We are now pleased to announce the resource has been upgraded to a Probable Reserve of 26.2 million tonnes in the Kogan Seam and Macalister Upper Seam within the area shown in the attached Figure 1.

Table 1 and Table 2 show the coal tonnes and qualities for the raw coal and the saleable product respectively. The reserve is sufficient to support a small scale operation for over 15 years exporting around 1 million tonnes per year through the Port of Brisbane. Infill drilling and testing is being planned for the new year and will underpin further technical and economic studies.

The average stripping ratio strip ratio for the reserve area, after allowance for mining losses and dilution, is estimated at 5.9:1.

This open cut mining reserve presents an exciting opportunity for the Columboola JV to potentially commence production exporting through the Port of Brisbane subject to approvals and final economic assessment, ahead of completion of the infrastructure connecting Columboola to the Port of Gladstone. This will also allow the JV to establish a market base for its Surat Basin coal.

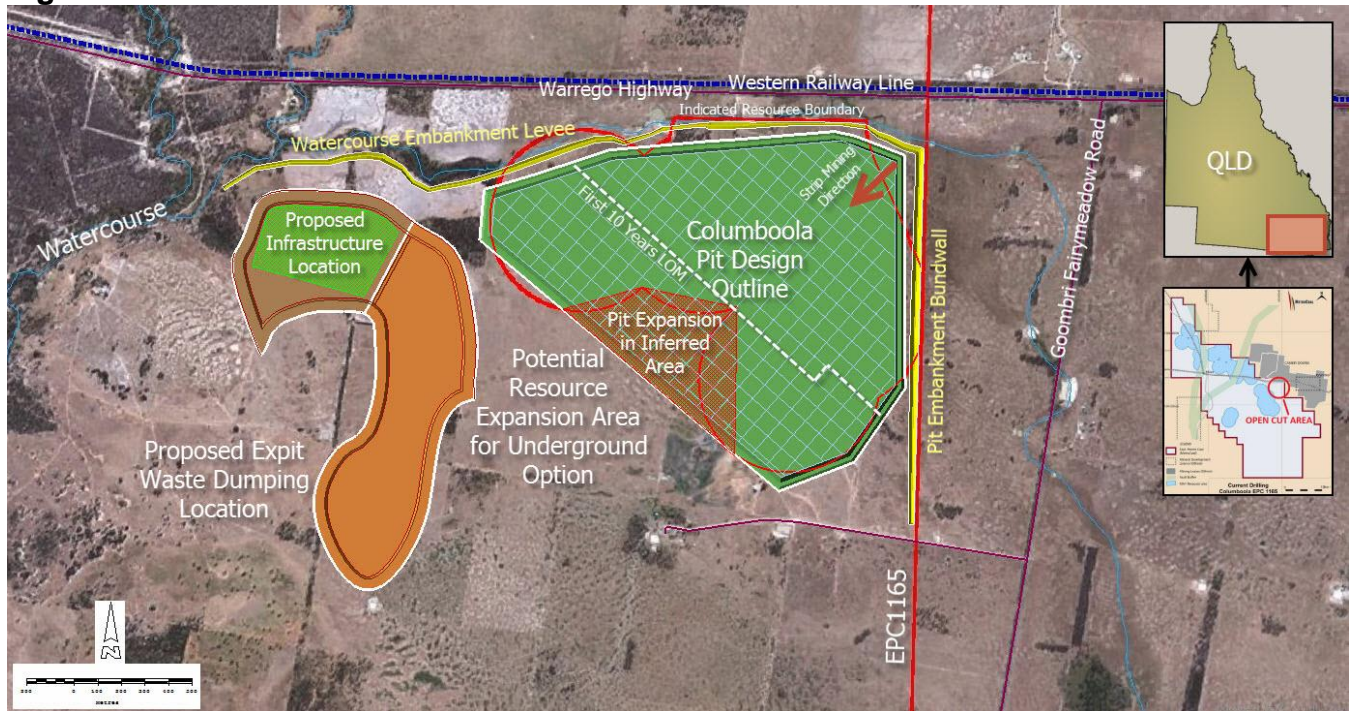
Table 1 Probable Coal Reserve – Estimate Raw

Seam	Tonnes (Mt)	Ave. Thick (m)	Ash (%)	CV (kcal/kg)	IM (%)	RD	TS (%)	VM (%)
KO1	11.6	3.11	28.2	5,630	7.5	1.53	0.43	38.2
MU1 to MU3	11.6	3.03	37.0	4,402	6.2	1.63	0.24	31.9
MU5	3.0	0.82	42.4	3,850	6.2	1.68	0.27	32.2
Total	26,2	6.96	33.7	4,885	6.8	1.59	0.33	34.7

Table 2 Saleable Coal Reserve

Seam	Tonnes (Mt)	Yield (%)	Ash (%)	CV (kcal/kg)	IM (%)	RD	TS (%)	VM (%)
Total	17.0	65.0	10.4	6,760	6.9	1.57	0.38	35.3

Figure 1



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Competent Person Statement

The reported Coal Reserves have been compiled by Mr Rick Taylor. Mr Taylor is a Member of the Australian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Samples' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Neither Mr Taylor nor Coffey Mining Pty Ltd has a material interest or entitlement, direct or indirect, in the securities of MetroCoal or the Projects. Coffey has been commissioned to provide services to MetroCoal. Fees for the preparation of this report are on a time and materials basis. Mr Taylor consents to the use of this statement and references to it and extracts from it, in the form and context in which they are included.