

ATTILA COMMENCES DRILLING PROGRAM ON KODIAK SEYMOUR PROPERTY

Highlights

- **Maiden drill program commenced on the Seymour Property at Kodiak Hard Coking Coal Project**
- **4 diamond drill holes are planned for a total of approximately 2,400m of drilling**
- **Aim to convert 87-93Mt Exploration Target* into a JORC compliant resource**
- **High quality hard coking coal target – low ash, sulphur with superior fluidity anticipated for a substantial portion of the resource**
- **JORC compliant resource due after completion of program (approx. 6 months)**
- **Program will assess coal quality, gas desorption testing and geotechnical data for mine planning**

Kodiak Hard Coking Coal Project, Alabama USA (AYA 70%)

Attila Resources Limited (ASX: AYA; AYAO) is pleased to announce that it has commenced drilling on its recently acquired Seymour Property at its 70% owned Kodiak Hard Coking Coal Project, Alabama, USA (Figures 1 and 2).

The Seymour Property is approximately 3.5km south of Attila's existing wash plant and other associated infrastructure. Attila has a historical data base over the Seymour Property of approximately 75 coal bed methane wells and 9 diamond core holes. 3D Dycus Drilling has commenced the 4 hole diamond drill program for a total of approximately 2,400m of drilling (excluding wedging). The program is designed to intercept the Upper Thompson, Coke and Atkins coal seams in 3 holes, with the fourth hole intersecting the Coke, Atkins and Big Bone seams (Figure 3).

The drilling program aims to:

- Convert the 87-93Mt Exploration Target* into a JORC Code Compliant Resource.
- Establish coal quality, with an emphasis on the metallurgical qualities of coal.

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- Gain knowledge regarding geologic conditions for use in mine planning and development.
- Gas desorption testing will be done on the coal cores to assist in designing the ventilation systems for the planned mines.

It is estimated that the drill program will take approximately 6 months to complete. The program of work will be supervised by geological consulting firm, Stagg Resource Consultants, Inc. (Stagg), who supervised the recently completed drill campaign on Attila's Gurnee Property.

Detailed analytic work to be conducted on the coal will include sink-float testing for use in modifying the preparation plant and optimizing preparation yields; analyses of the chemical properties of the coal; and petrographic and rheologic studies to establish key coking coal characteristics.

By extrapolation, historical data suggests that the coal quality of the coal seams at the Seymour Property is very similar to that of the coal found at Attila's Gurnee Property. The following table contains anticipated typical specifications for a substantial portion of the washed coal (1.5 SG) for the three primary target coal seams, presented on a dry basis:

Seam	Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	Heat Content (kcal/kg)	Free Swelling Index	Fluidity (DDPM)
Atkins	3 – 5	0.3 – 0.6	33 – 36	59 – 61	8,100±	7 – 9	15,000 – 30,000
Coke	4 – 6	0.4 – 0.8	34 – 36	57 – 59	8,100±	6 – 9	15,000 – 30,000
Upper Thompson	6 – 8	0.5 – 0.9	35 – 37	55 – 58	7,900±	7 – 9	5,000 – 25,000

Based on the results of two diamond core drill holes from a drilling program conducted on the property in 1983, the following qualities are suggested for coal from the Big Bone seam at yields of 30% or less, presented on a dry basis:

Seam	Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	Heat Content (kcal/kg)	Free Swelling Index	Fluidity (DDPM)
Big Bone	10±	0.8±	35±	58±	7,000±	n/a	20,000±

Attila notes that there are several other coal seams under the option to lease the Seymour Property however only those seams which are potentially mineable have been included in the Exploration Target*.

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Executive Director, Evan Cranston, said in respect of the drill program:

“Attila is extremely excited to commence drilling on the latest acquisition at its 70% owned Kodiak Hard Coking Coal Project. Following the successful drill campaign on the Gurnee Property which has returned an inferred JORC resource of 81Mt with a measured and indicated estimate due shortly, Attila looks forward to replicating the success at the Seymour Property. With a historical database of in excess of 75 CBM wells Attila is extremely confident of achieving a conversion of the 87-93Mt exploration target into a JORC resource.”

For further information please contact:

Evan Cranston, Executive Director - +61 (0) 408 865 838

Competent Person Statement

The information in this report that relates to exploration results is based on information compiled by Mr Alan Stagg, Attila's independent consulting geologist, who is a Registered Member of the Society for Mining, Metallurgy, and Exploration (SME), a Recognized Overseas Professional Organization as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stagg 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 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves." Mr Stagg consents to the inclusion in the announcement of the matters based on information in the form and context in which it appears.

Further information on the Exploration Target

This exploration target is based primarily on information gained during exploration drilling for coal bed methane beginning in the late 1980's and continuing on an intermittent basis to the present. Although none of these programs were intended to define exploration targets and to quantify Mineral (Coal) Resources and Reserves related to the mining of coal, the geophysical logs of these holes provide a wealth of information in this regard. Approximately a hundred such wells have been drilled on or in close proximity to the property to be leased, with the geophysical logs from all wells on the property having been reviewed and coal beds correlated by Mr Stagg. Additionally, information regarding the thickness and general bed composition of the Upper Thompson, Coke, Atkins, and Big Bone has been extracted and used by Mr Stagg to quantify tonnage in these beds. The information gathered in this fashion has been supplemented with the results of nine diamond core drill holes at various locations on the property and with data from prospect pits along the beds' outcrops. Accordingly, the lateral continuity and geometry of the Upper Thompson, Coke, Atkins, and Big Bone coal beds is well established. Because no quality data can be derived from the geophysical logging and because visual observations of the target coal beds and the strata lying above and below cannot be made, the tonnage estimated does not qualify as a Mineral (Coal) Resource.

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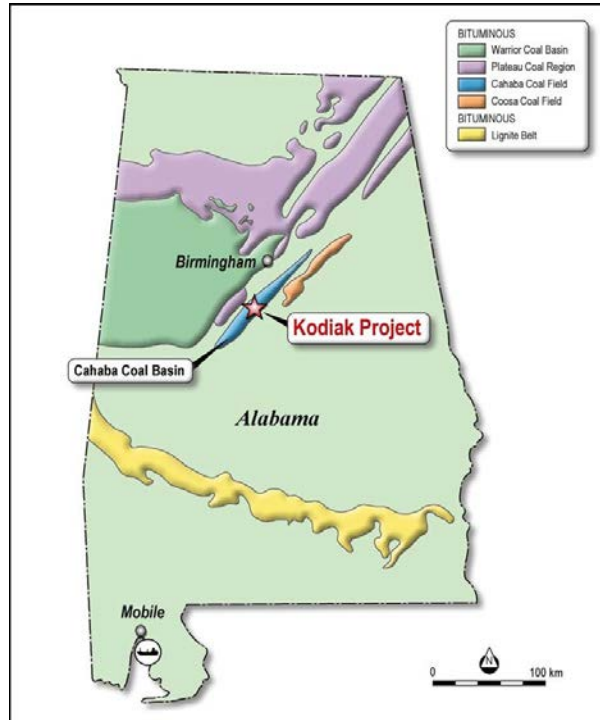


Figure 1. Kodiak Coking Coal Project, Alabama, USA.

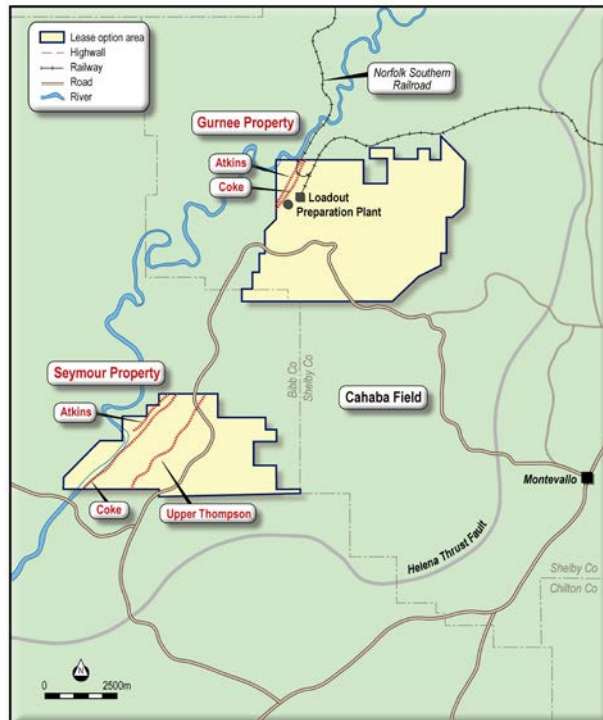


Figure 2. Kodiak Coking Coal Project, Alabama – Gurnee and Seymour Properties.

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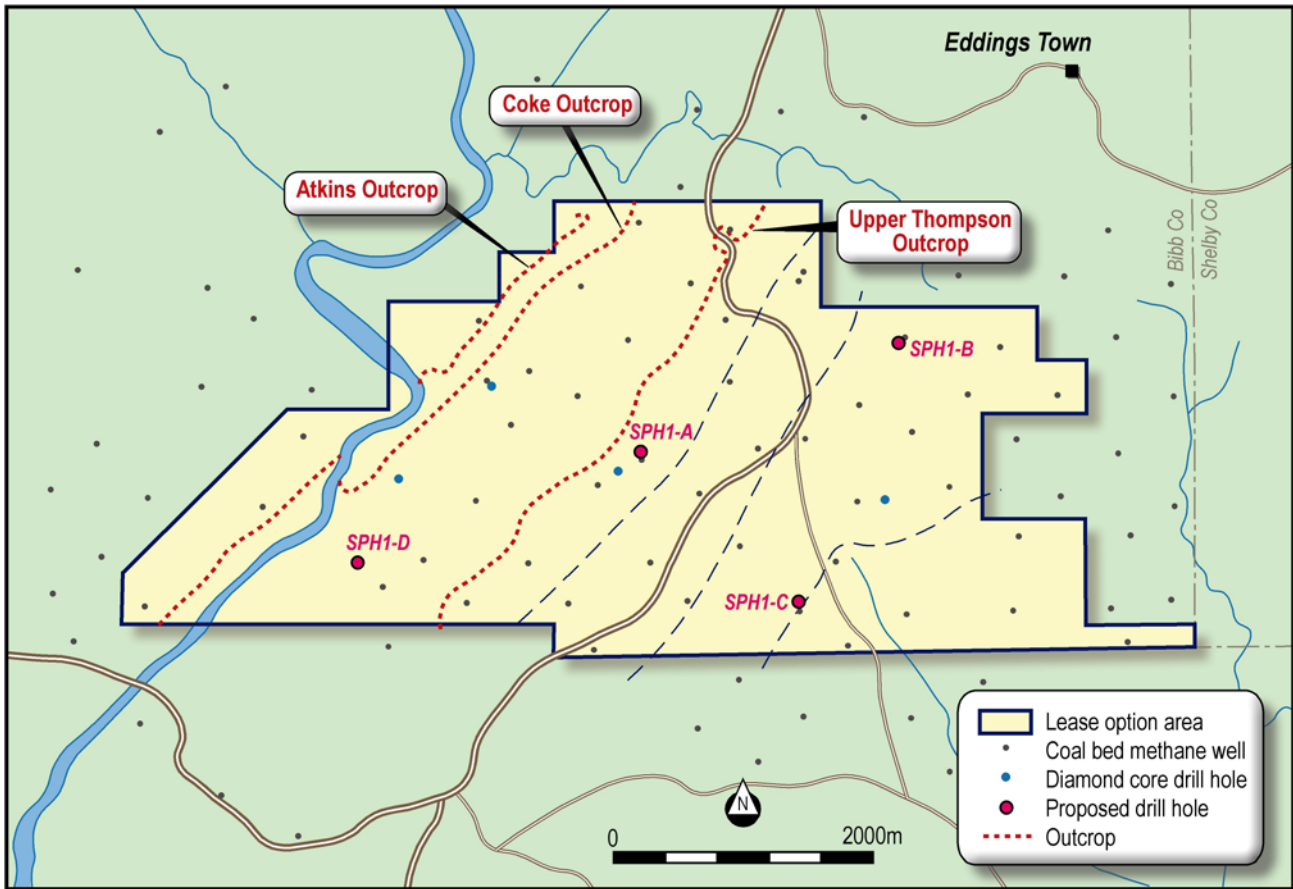


Figure 3. Planned drill holes in Phase 1 Seymour Drill Program.

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