



**COAL FE RESOURCES LIMITED**

A.B.N. 41121 969 819

14 April 2014

ASX Market Announcements  
ASX Limited

Via E lodgement

## **MANAGING DIRECTOR UPDATE**

Coal Fe Resources Ltd (**Coal Fe** or the **Company**) is pleased to provide the following update from the Managing Director.

Following his appointment last week, Mr Robert Swarbrick has been hard at work reviewing the Company's projects with a view to moving towards generating revenue from additional coal projects. Mr Swarbrick's vision for the Company is to have several small operating coal mines throughout Indonesia which allows for significant revenue streams and with a view to paying dividends.

Reflecting on the achievements of the Company to date, Mr Swarbrick praised both past and current directors of the Company for developing and commercialising a coal asset in Indonesia from exploration through to production. A task not achieved by numerous other companies who have attempted to do this.

The Abadi coal project is located in the district of Muara Badak and Anggana, Regency of Kutai Kartanegara, in the Province of East Kalimantan. It is a low grade coal mine producing 5,100-5,300 K Cal coal which is consumed in the local domestic market. In the December 2013 quarter, 36,294 metric tonnes were sold providing total 2013 sales of 248,982 metric tonnes.

Under the Mine management agreement with PT Toba Jaya, the Company received a royalty of \$1 per tonne from these sales.

Moving forward, Mr Swarbrick intends to focus on acquiring deposits with higher calorific values which will command a higher sales price and therefore a greater margin to the Company.

Commenting on the strategy, Mr Swarbrick said "The Abadi project provides the Company with access to the local coal market, but the lower calorific nature of the coal will provide limited returns to shareholders. My focus now is on acquiring near production coal projects in Indonesia, which possess high grade coal, where the Company can be the owner operator producing positive cashflow in 12 months and delivering returns to shareholders. The Company's time and resources can be better directed at producing assets that will produce greater revenue than the Abadi project."

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The Company is also working towards securing funding from a leading Australian financial services group to fund any potential coal acquisitions. A further update will be made in due course.

Regards

Robert Swarbrick  
Managing Director

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