

ASX ANNOUNCEMENT

23 March 2011

Top Quality Coking Coal Identified - Target Estimate Revised Upwards

Final coal quality results from the 2010 RC drilling program have identified top quality coking coal with CSN values of 8-9. The programme was stopped before it was completed due to rain. It will recommence 2Q/11.

In late 2010 a drilling programme was undertaken.

Target	EPC	No Holes
T9 Munna	956	1
T3	956	5
Shady Camp East	957	3

Coal seams were intersected in all but one of the holes.

ACIRL laboratory analysis has been received for the coal samples taken during the drilling programme.

Coal washability tests have confirmed coking coal in the T3 and Shady Camp East target zones, increasing the number of known coking coal targets to three. Coking coal had previously only been identified in the T9 Munna target zone.

Coal washability tests in holes CTR 123 (T3) and CTR 132 (Shady Camp East) indicate a good yield able to produce a product with approximately 10% ash content and a Crucible Swelling Number (CSN) of 8-9. CSN values of 8-9 indicate top quality coking coal.

Sulphur content within the samples was below range from 0.5% to 0.75% when the raw coal was tested.

EPC	Target	Hole Number	Interval Depth Metres	Raw Coal Ash %	Yield %	Washed Product Ash %	CSN
956	T3	CTR 123	29 - 32	30.2	52.4	10.4	9
956	T3	CTR 123	56 - 57	24.0	61.4	10.7	8
957	Shady Camp East	CTR 132	27 - 29	31.3	31.0	10.6	9
957	Shady Camp East	CTR 132	55 - 56	16.0	78.7	9.7	9

Table 1 - Coal Washability Results for CTR 123 and CTR 132. Note: Specific Gravity = 1.35

Further washability tests are planned, with the samples being crushed to smaller particle size, to increase the yield and decrease the ash content.

A follow up diamond core hole near CTR 123 is planned to obtain assay sample & test dips of coal seams.

A four kilometre seismic program is proposed in order to provide data to determine the correlation of individual coal seam intersections between drill holes. An in-fill drilling program will follow.

Exploration Target Revised

The main target area (Shady Camp in north to T3 in south) extends over an area 15 km long by 3km-4km wide. Previous target estimates for the T9 target area on EPC 956 were in the order of 20 to 30 million. This included a resource target in the order of 2-5 million tonnes of high quality coking coal with approximately 9% ash in washed product at a yield of approximately 68%.

New results received from Shady Camp (EPC 957) and T3 (EPC 956) indicate that the total tonnage potential may be larger than the previous estimate of 30 million tonnes.

For further information please contact:

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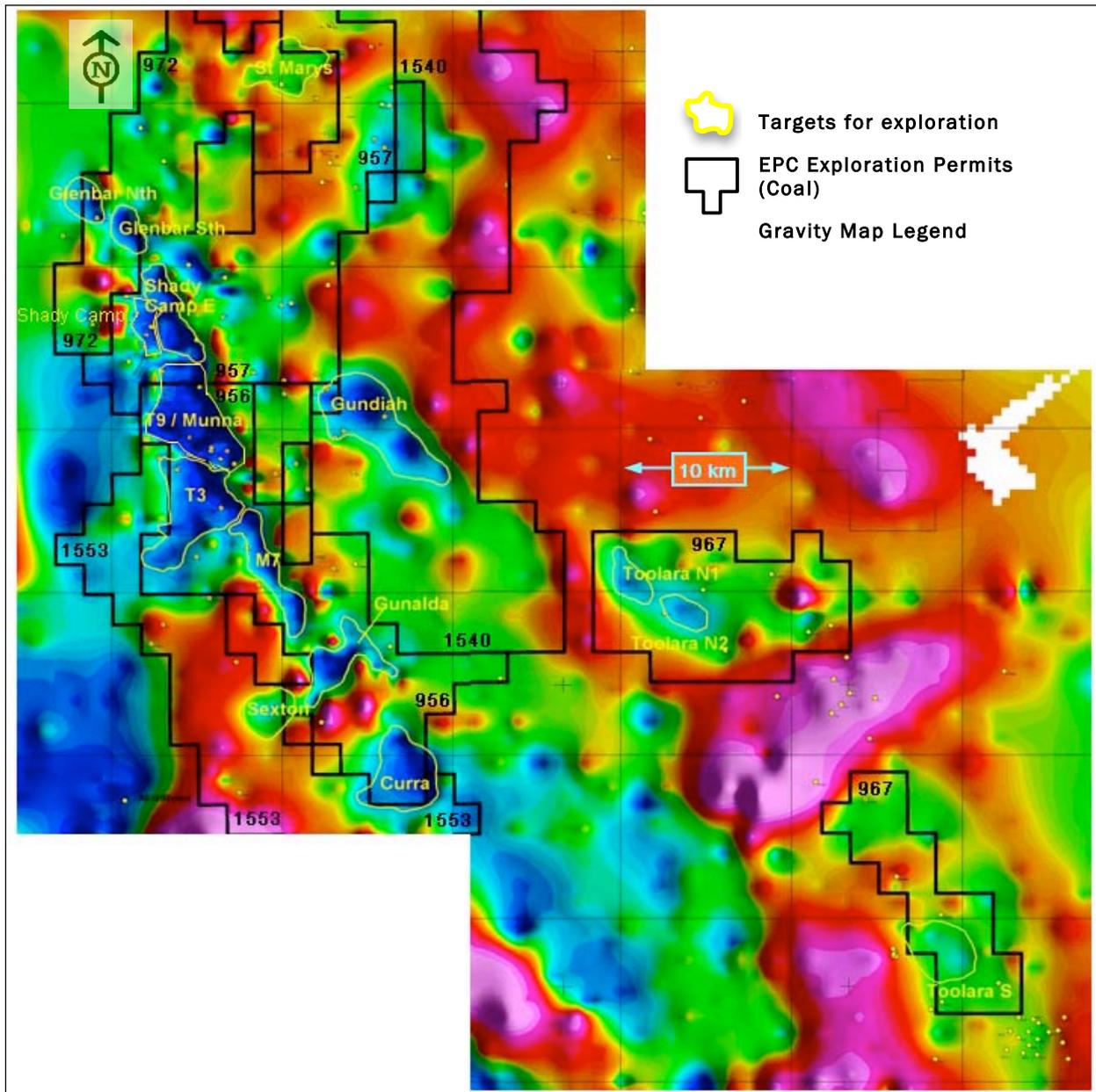


Figure 1 - Targets against the background of a Gravity Low Occurrence.

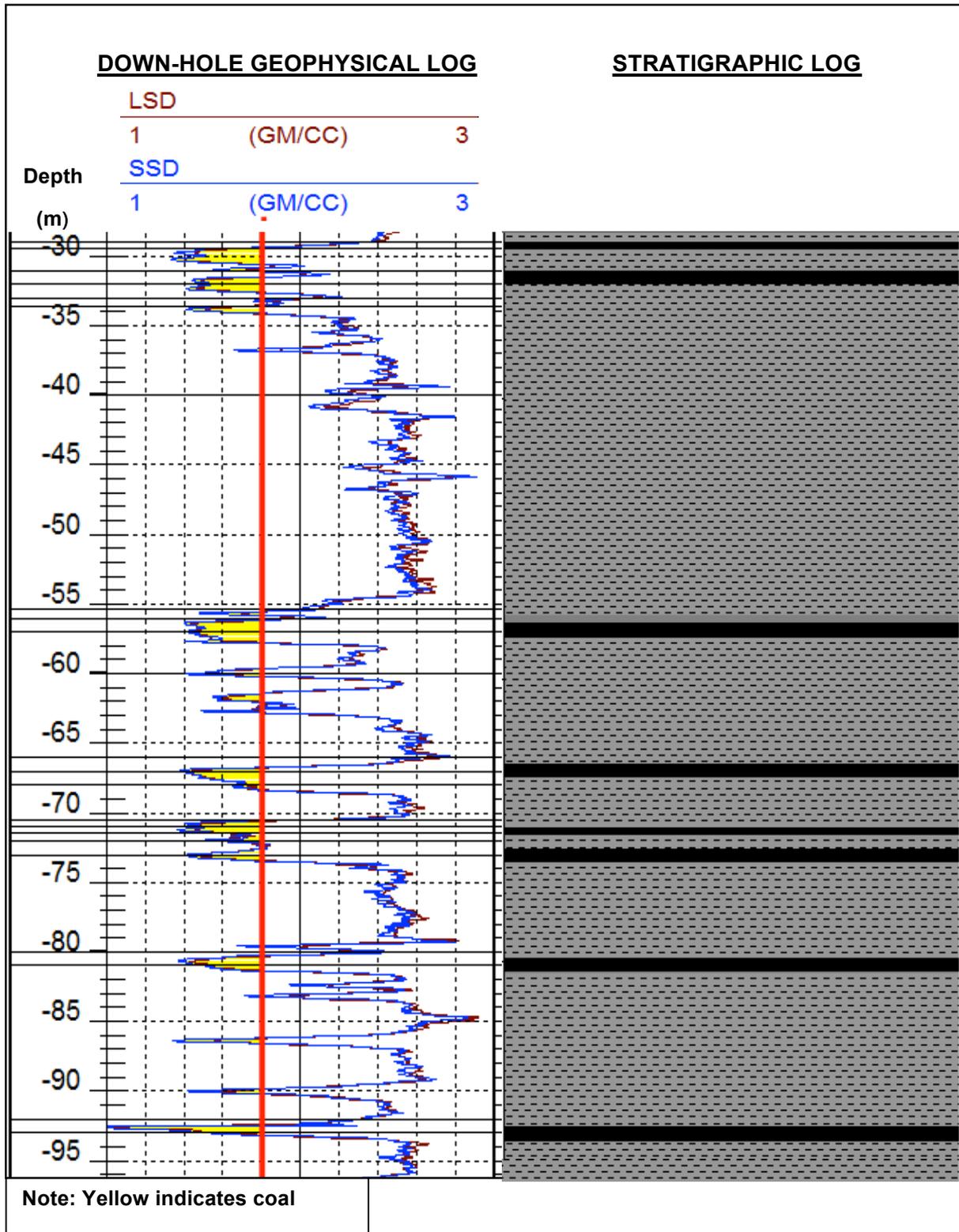


Figure 2 – Geophysical / Stratigraphic log – CTR 123, 28 - 95 metres

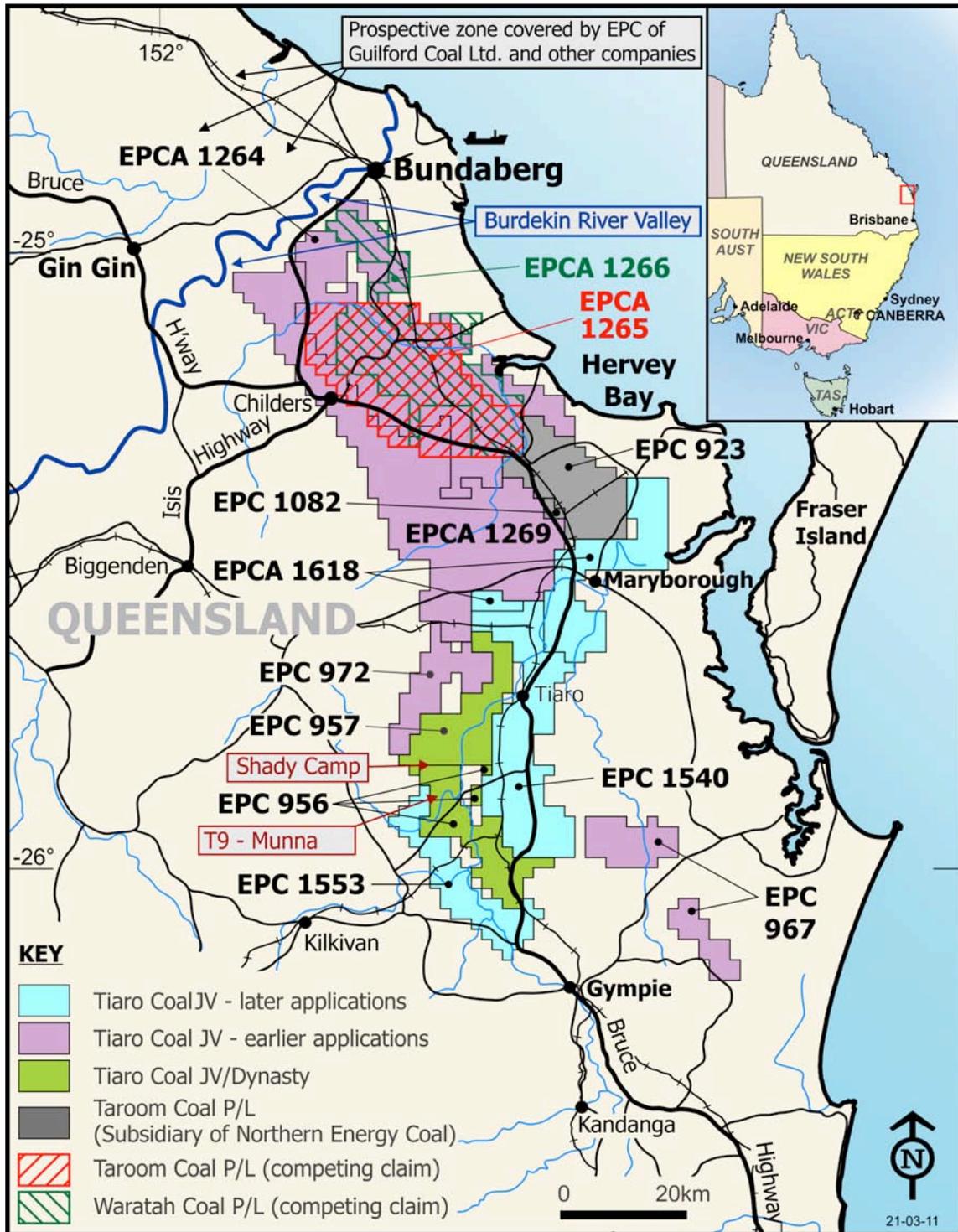


Figure 3 - Tiara tenements at 31 December 2010

STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Programs is based on information compiled by Jacob Rebek who is a member of Australian Institute of Mining and Metallurgy. Mr. Rebek is a qualified geologist and is a director of Tiara Coal Limited.

Mr. Rebek 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 Resources. Mr. Rebek consents to the inclusion in the report of the matters based on information in the form and context in which it appears.