



ABN 13 112 682 158

17 May 2011

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(4 pages by email)

Dear Madam

## **SURAT PROJECTS RESOURCE UPDATE**

### **Highlights**

- Increase in all categories of JORC Resources for the Bottle Tree deposit to 35.2 million tonnes, up 9%, or 2.7 million tonnes, from 32.5 million tonnes previously announced, at a strip ratio of less than 10:1.
- The JORC Resource now comprises 29.5 million tonnes of Indicated Resource and 5.7 million tonnes of Inferred, representing an upgrade of 90% of the previously announced 32.5 million tonnes Inferred Resource to the Indicated Resource category.
- The increased confidence in the potential for open cut mineable coal at Bottle Tree complements the growth in the Company's resource asset base at the Tin Hut Creek, Collingwood, Taroom and Woori projects.

### **The Surat projects**

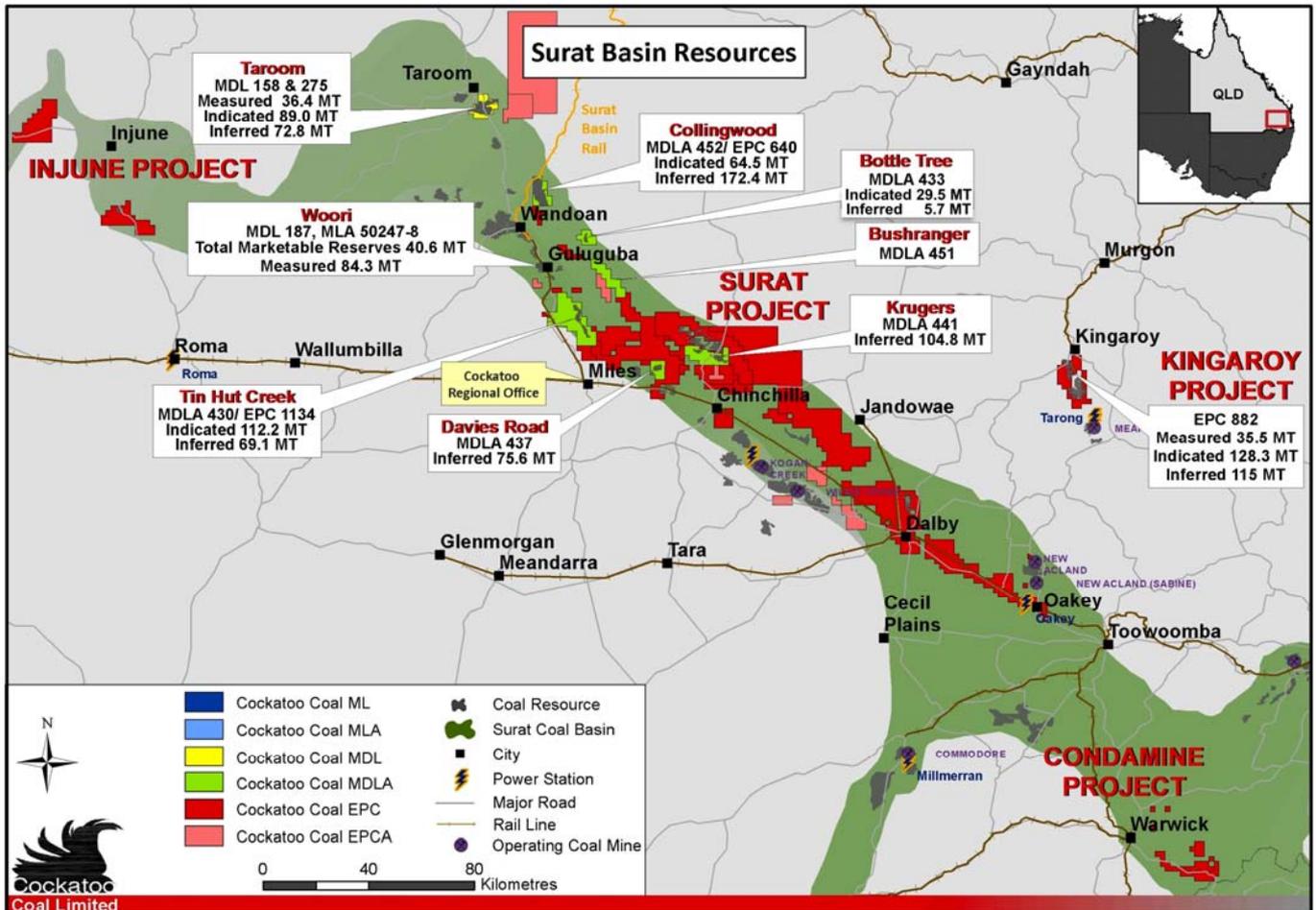
Cockatoo Coal Limited ('Cockatoo' or 'the Company') has a 100% interest in the Surat projects which comprise MLAs 50247 and 50248 (Woori project), EPC 796 (Horse Creek) and MDLA 441 (Krugers project), EPC 813 (Dogwood Creek) and MDLA 433 (Bottle Tree project), EPC 1041 (Miles) and MDL 437 (Davies Road project), EPC 1134 and MDLA 430 (Tin Hut Creek project), EPC 1135 (Chinchilla), EPC 1136 (Dalby), EPC 1170 (Chinchilla #2), EPC 1278 (Tin Hut Creek North), EPC 1950 (Chinchilla North), EPC 1322 (Wandoan East), EPCA 1593 (Surcingle), EPCA 1967 (Macalister West), EPCA 2092 (Glenrowan), EPCA 2207 (Taroom East) and EPCA 2231 (Giligulgul).

In addition, the Company has a 51% interest in MDLs 158 and 275 (Taroom project) and EPC 640 (Collingwood).

The Company also holds a 100% interest in EPC 882 (the Kingaroy project), located approximately 20 kilometres north of the Tarong power station and EPCs 963 and 1130 (the Condamine project) and EPCs 1017 and 1018 (the Injune project).

The Company's Surat Basin projects cover an area of approximately 4,000 km<sup>2</sup>. The Juandah and Taroom Coal Measures of the Walloon Sub-Group both sub-crop within the Surat project area. The Woori and Tin Hut Creek projects comprise the Juandah Coal Measures. The Taroom and Collingwood projects and the Bottle Tree and Krugers prospects are located within the Taroom Coal Measures.

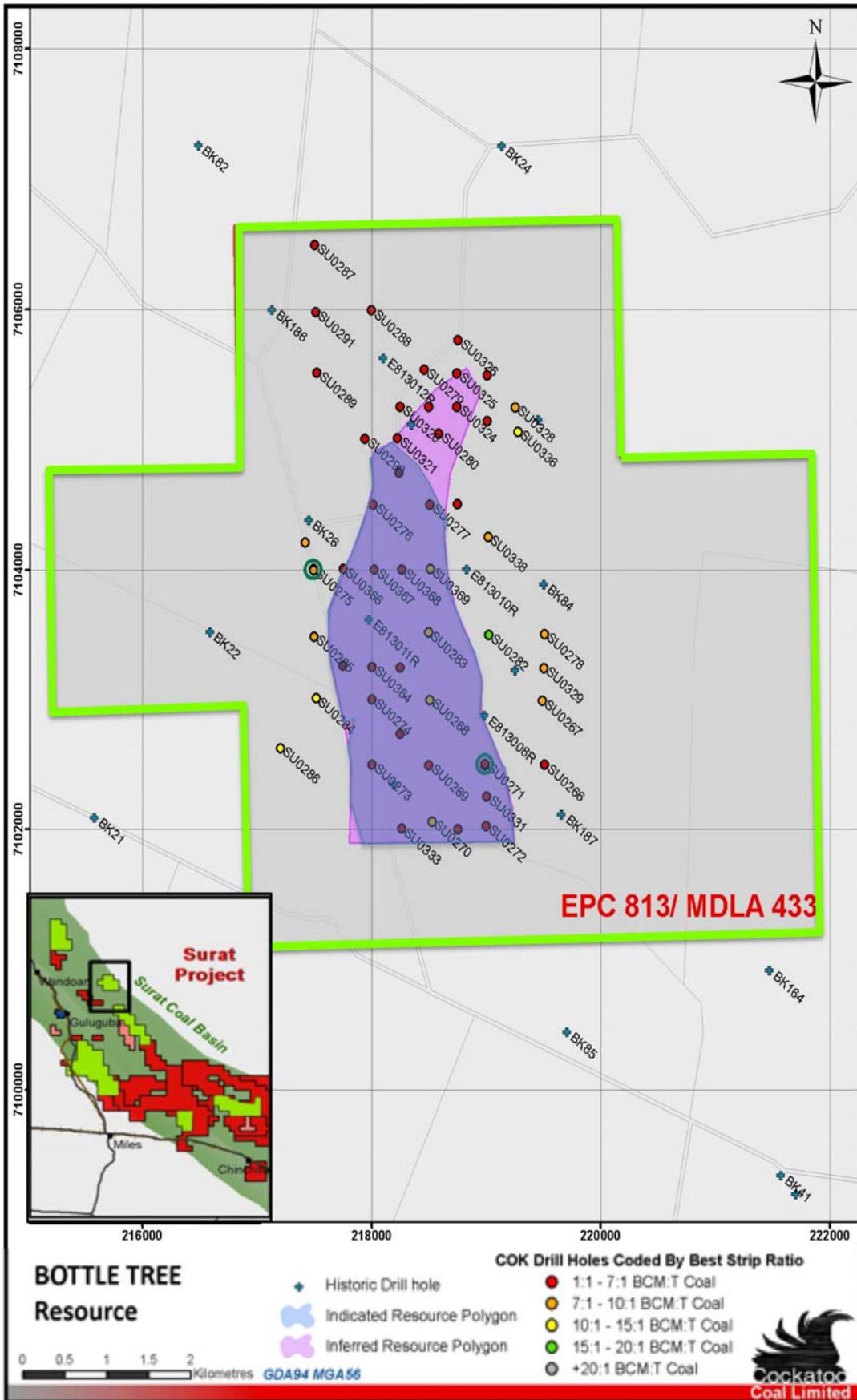
The JORC Resource upgrade reflects a substantial increase in confidence of the potential for economic extraction through open cut mining, according to the JORC Guidelines. The Indicated and Inferred Resources are at strip ratios of less than 10:1. An additional 2.7 million tonnes of Inferred JORC Resource has now also been defined within the previously defined Resource polygon, resulting from refinement of the coal seam ply correlation.



Surat Basin projects areas.

Current JORC Resources for the Bottle Tree project, including all categories are as follows:

Project	Tenement	Depth of Resource (m)	Category			TOTAL (Mt)
			Measured (Mt)	Indicated (Mt)	Inferred (Mt)	
Bottle Tree	MDLA 433	<150	0	29.5	5.7	35.2
	<b>TOTAL (tonnes)</b>		<b>0</b>	<b>29.5</b>	<b>5.7</b>	<b>35.2</b>



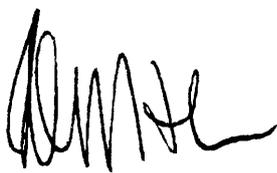
Bottle Tree JORC Resource area and project drilling to date.

## Statement of Compliance

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Oliver Holm is a full-time employee of the Company who 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'. Oliver Holm has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, contact Mark Lochtenberg or Peter Nightingale on (61-2) 9300 3333.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', with a stylized, cursive script.

Peter J. Nightingale  
Director

pjn6006