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Via electronic lodgement

EXPLORATION COMMENCES ON MONGOLIAN COAL LICENSES

- **Due diligence extended to include exploration program**
- **Rig mobilised to commence drilling in South Gobi province**

C @ Limited ("CEO") is pleased to announce it has made significant progress on its due diligence for the Mongolian coal licenses it currently has under an option agreement.

The option agreement, announced 20 April 2011, has a 10 week due diligence period which officially commenced on 6 May 2011. Since signing the agreement the Company and its local partner Trinity Mongolia Pty Ltd have reviewed the data room information on the 8 licenses which has provided a sound basis for the design of the exploration program. The mining authority and local government applications for the exploration work are now approved.

The exploration program has kicked off and will include up to 5,900 metres of diamond core drilling and up to 1,200 metres of trenching on both the South Gobi and Overhangay province licences. An international drilling company has been appointed as drilling contractor after being highly recommended for their exceptional track record and service offerings in Mongolia by a number of coal developers operating locally.

Geophysical logging will be undertaken on all drill holes. Coal sampling from the exploration program will be transported to the SGS laboratory in Ulaanbaatar for quality testing. The drilling program is expected to be complete within 5 weeks with an additional 2 weeks for completion of any remaining coal samples for quality testing.

The exploration program will provide the Company with a greater level of understanding of the licenses prospectivity, along with validating due diligence material provided by the licence holder.

Due diligence work also includes a legal review of the licenses which is expected to be complete shortly.

Further updates will be provided by the company in the next 2 to 3 weeks as more detailed exploration results are known.

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About CEO

C @ Limited is an ASX-listed company currently engaged in supplying wholesale optical frames and lenses to opticians. During 2010 it announced that it would search for opportunities in the coal resources sector and attempt to build shareholder value by changing sectors. To this end it appointed international coal veteran Mark Earley as Managing Director in September 2010. Mark has over 30 years experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. He has also been involved in green field mine developments in both Australia and Indonesia, has advised on several successful start-up projects and holds a masters degree in mining engineering. Most recently Mark held the position of Executive Director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms. His involvement in the coal industry covers virtually all significant territories ranging from the Americas, Southern Africa, Former Soviet Union, India, China and the major supply growth centres of Mongolia and Indonesia.