



Altera Resources Ltd

31 January 2011

**QUARTERLY REPORT FOR THE 3 MONTHS ENDED
31 December 2010**

HIGHLIGHTS

- Completed the acquisition of JDC and coal projects in Kalimantan, Indonesia
- New board and management of highly experienced coal professionals
- Completed a \$20.0 million capital raising
- Signed JV to explore for coal in Tanzania*

*Tanzanian JV signed after 31 December 2010



ALTERA RESOURCES LIMITED

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Corporate

Completion of the acquisition of JDC and coal projects in Kalimantan, Indonesia

As announced on 23 December 2010, Altera Resources Limited (“Altera”) proceeded to complete the acquisition of Jack Doolan Capital Pty Ltd (“JDC”). The JDC acquisition comprised three components:

1. The acquisition of four strategically located coal exploration projects in Kalimantan, Indonesia.
2. Concurrent with the completion of the JDC acquisition, the previous directors of Altera resigned and were replaced with directors and management comprising highly experienced, qualified and well regarded professionals in the coal exploration and mining industry.
3. Completion of a \$20.0 million capital raising at \$0.30 per share.

Further details of the terms of the JDC acquisition, as well as the terms of the acquisition of the four Indonesian coal projects, can be found within the Explanatory Memorandum forwarded to shareholders in respect of the general meeting that was held on 30 November 2010.

The four Indonesian coal exploration projects

Altera (through JDC) will be the owner of:

- 50% of the shares in companies which own the BBM and BBP Projects located in Central Province, Kalimantan, Indonesia. The BBM Project area comprises 19,920 Hectares and the BBP Project comprises 25,000 Hectares.
- 75% of the share in companies which own the AAK and AAM Projects also located in Central Province, Kalimantan, Indonesia. The AAK Project area comprises 5,100 Hectares and the AAM Project comprises 10,000 Hectares.

These exploration projects are within the highly prospective Central Kalimantan coking coal basin, with both BBP & BBM adjacent to BHPBilliton’s coking coal tenements. These tenements have several coal outcrops within their boundaries with high potential, based on visual observations.

Preparation for detailed exploration commenced in January 2011, with geologists mapping coal outcrops and planning for a drilling programme.



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Board and management

The new Board and management include:

- Peter Lynch (Mining Engineer, Executive Chairman) – previous President, CEO and Director of Waratah Coal, also General Manager Oaky North coal mine.
- Patrick Hanna (Geologist, Executive Director) – vast worldwide coal exploration experience.
- Jim Middleton (Mining Engineer, Managing Director/CEO) – previous experience with Coal Allied, Exxon, Glencore, Xstrata and BHP (VP Mining Operation, Illawara Coal).
- Domenic Martino (Corporate Non-Executive Director) – experienced junior exploration company director and past CEO of Deloitte Touch Tohnatsu in Australia.
- Chris Turvey (coal geologist) – exploration, resource estimation, geological modelling.
- Duncan Cornish (CFO and Company Secretary) – capital raising, financial, secretarial and corporate experience for principally exploration companies on ASX, TSX and AIM.

Capital raising

Concurrent with the completion of the JDC acquisition Altera completed a \$20.0 million capital raising at \$0.30 per share. The raising was undertaken through professional investors by Soaring Securities Pty Ltd and managed by Ochre Management Pty Ltd.

Exploration

Inglewood Coal JV

The Farm-in Joint Venture (“Inglewood Coal JV”) with Dragon Energy Ltd (Dragon) comprises Exploration Permits for Coal (EPCs) in the Surat/Clarence-Moreton and Bowen Basins in Queensland.

A total of five EPC’s out of the thirteen, have now been granted and a further three EPC’s (1650, 1651 and 1653) are going through the Native Title process prior to being offered for grant by the DME Queensland. EPC 1666 has also been offered for grant. The company has signed a heritage agreement with Barada Barna Native Title group which will lead to the granting of EPC1653 in the Bowen Basin.



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During the quarter Dragon advised Altera that it wishes remove a total of six EPC applications (1648, 1652, 1660, 1662, 1664 and 1665) from the Inglewood Coal JV and a deed of variation was executed.

A review of the coal potential within EPCs 1648 and 1660 undertaken by IMC during the quarter has shown that significant potential exists for coal resources in the Evergreen Formation.

Gascoyne Base Metal Project

The Gascoyne Base Metal Project (GBMP) is located approximately 250 km to the east of Carnarvon in the Gascoyne region of Western Australia (Figure 3). GBMP is a joint venture between Altera and ABM Resources NL (ABM), whereby Altera was earning a 65% interest in GBMP.

During the September quarter the Company acquired a 100% interest in the JV tenements from ABM which were subsequently on sold to another unrelated party during the December quarter.

Altera has no further interest in the Gascoyne Base Metal Project.

Events Subsequent to 31 December 2010

Joint Venture signed to explore for coal in Tanzania

On 24 January 2011, Altera announced the signing of a Joint Venture (JV) to explore for coal in Tanzania. The JV is with private company, Tanzoz Resources Ltd which has been active in Tanzania since 2007, and currently holds interests in Tanzania for uranium, gold and coal.

Under the terms of the JV, AEA will earn a 50% interest in an existing exploration project and will act as manager for the expenditure of a minimum of A\$500,000 by the 31 December 2011. AEA will also expend a minimum of A\$1,000,000 by 31 December 2011, to earn a 60% interest on a range of other potential projects considered prospective for coal in Tanzania.

Under the terms of the JV, the JV also has the right to any coal opportunities on any of Tanzoz's current or future coal opportunities in Tanzania in, subject to the meeting of minimum funding requirements in-line with a 60:40 equity split.



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About Altera Resources

AEA is an ASX listed company which the objective of becoming a coking coal producer with a global presence. AEA has recently completed the acquisition of Jack Doolan Capital Pty Ltd (JDC), which has interests in four projects in Central Kalimantan, Indonesia considered prospective for coking coal.

For further information please refer to our website www.alteraresources.com.au or contact:

On behalf of the Board

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ASX CODE: AEA

Forward Looking Statements

Statements regarding plans with respect to the Company's exploration properties are forward-looking statements. There can be no assurance that the Company's plans for development of its properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's exploration properties.

Competent persons

The information in this report relating to exploration results is based on information compiled by Patrick Hanna who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Altera Resources Ltd.

Mr Hanna is a qualified geologist and 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 Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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



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Figure 1: Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan - Coal concession areas are shown in red.



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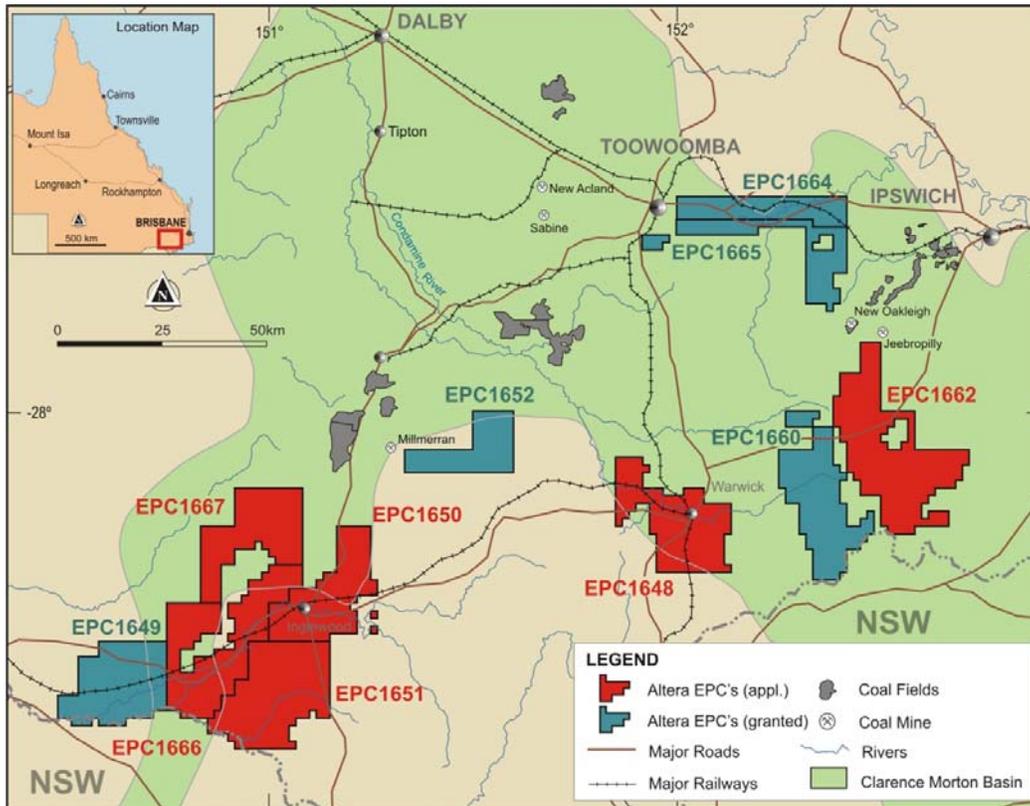


Figure 2: Exploration Permits for Coal – Toowoomba area, Clarence Morton Basin, Queensland



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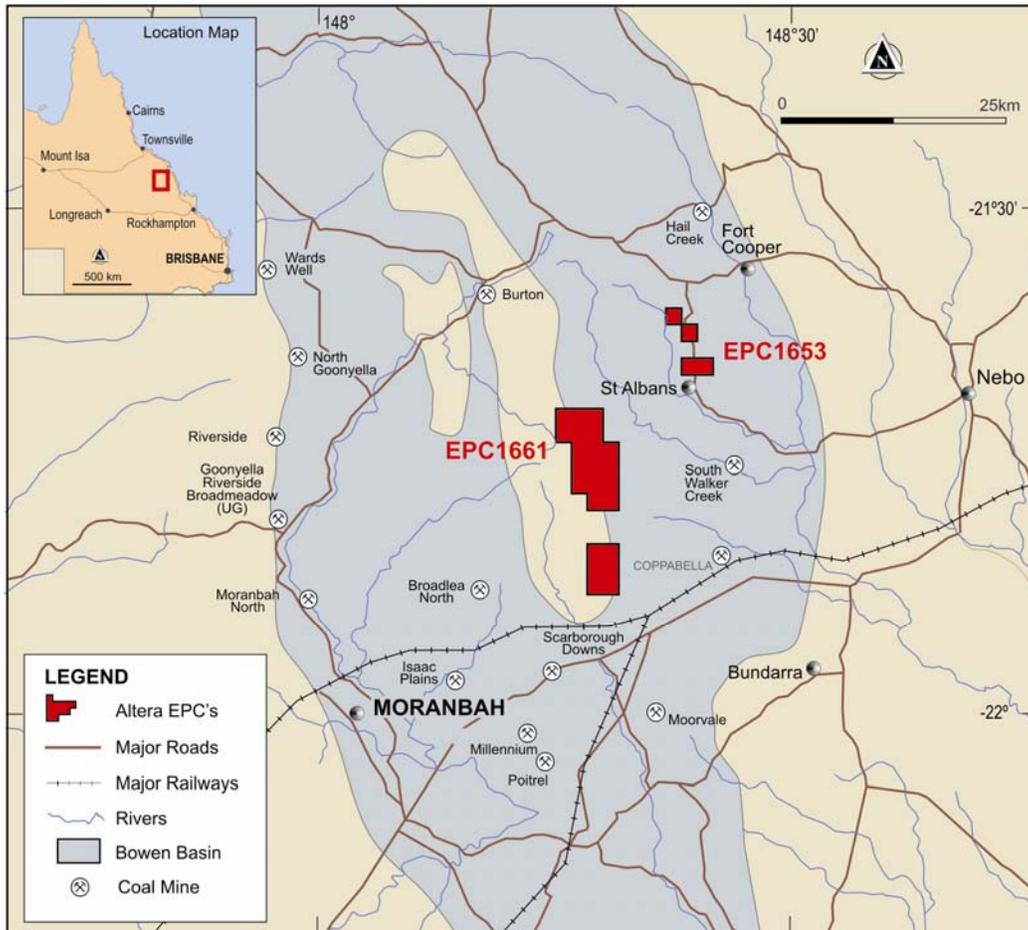


Figure 3: Exploration Permit for Coal applications – Moranbah area, North Bowen Basin, Queensland



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