

VICTORY WEST MOLY LIMITED

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20 July 2010

The Manager
Company Announcements Office
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Dear Shareholders

Indonesian Corporate Operations Update

- **Conversion of Indonesian controlled entities to PMA (foreign investor companies) in progress**
- **Transition of Exploration to Exploitation (Production & Operation) IUP's for key concessions - Inti Cemerlang & Promistis initiated**
- **Key Consultants engaged to undertake Feasibility and Environmental studies (required for Exploitation/Production IUP's) on track for completion within 4-6 weeks**

Victory West Moly Limited ("**VWM**" or the "**Company**") (ASX:VWM, Frankfurt: R1E) is pleased to provide the following Indonesian Corporate update.

Foreign Investor Company Conversion

To date, the Company has controlled their molybdenum assets via a raft of binding contractual agreements and managed its Indonesian operations through its management services company PT Sulawesi Molybdenum Management ("PTSM").

In continuing the Company's strategy of ensuring its Indonesian assets are optimally structured, the Company is in the process of converting their 5 controlled molybdenum concession companies: PT Inti Cemerlang, PT Promistis, PT Era Moreco, PT Sembilan Sumber Mas and PT Indo Surya (collectively the "Moly Companies") into Indonesian foreign investment companies ("PMA Companies") which allows greater flexibility and transparency for foreign ownership.

Upon completion, the Company (through its subsidiaries) will now be able to acquire shares in the Moly Companies thus moving to a direct interest in these companies. A Singaporean Holding Company (Victory West Moly (Singapore) Pte Ltd) has been incorporated to hold a direct interest in the Moly Companies once they are converted to PMA companies. As part of this process, the Company’s local BUMD (Regency owned enterprise) partner (or their nominee) will be issued a 5% direct interest in each of the Moly Companies (as shown on the following page).

Documents to initiate the conversion are currently being lodged with the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* or “BKPM”). Following the issuance of the Investment Registration approval by BKPM, the Company will seek the mandatory approval of the Ministry of Law and Human Rights Approval (“MoLHR Approval”). Upon obtaining MoLHR approval the company is recognised as a PMA Company. It is expected this process will be completed within 1-2 months. In addition to allowing the Company to obtain a direct interest in the Moly Companies through the conversion of these companies to PMA companies, it also provides greater operational flexibility making these companies joint venture and investment ready.

VICTORY WEST MOLY LTD – CURRENT GROUP STRUCTURE

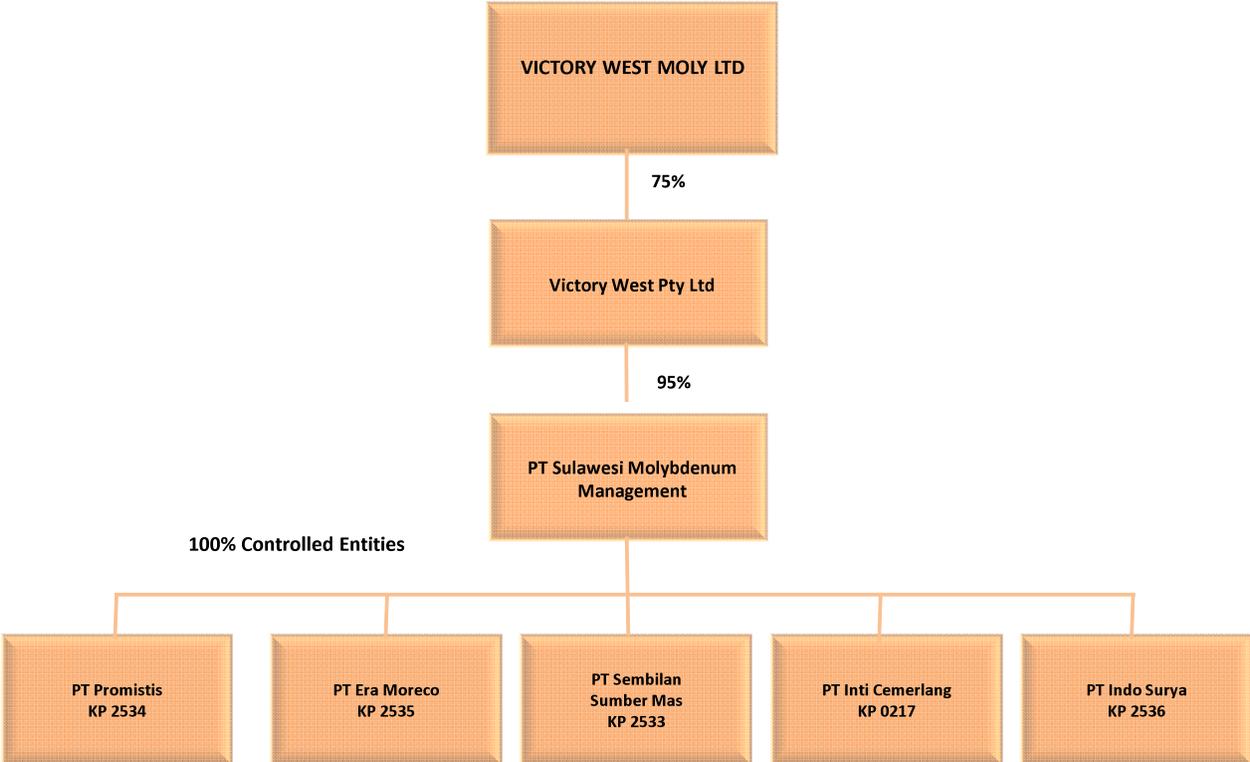


Figure 1 – Current VWM organisational structure.

VICTORY WEST MOLY LIMITED – GROUP STRUCTURE IN PROGRESS

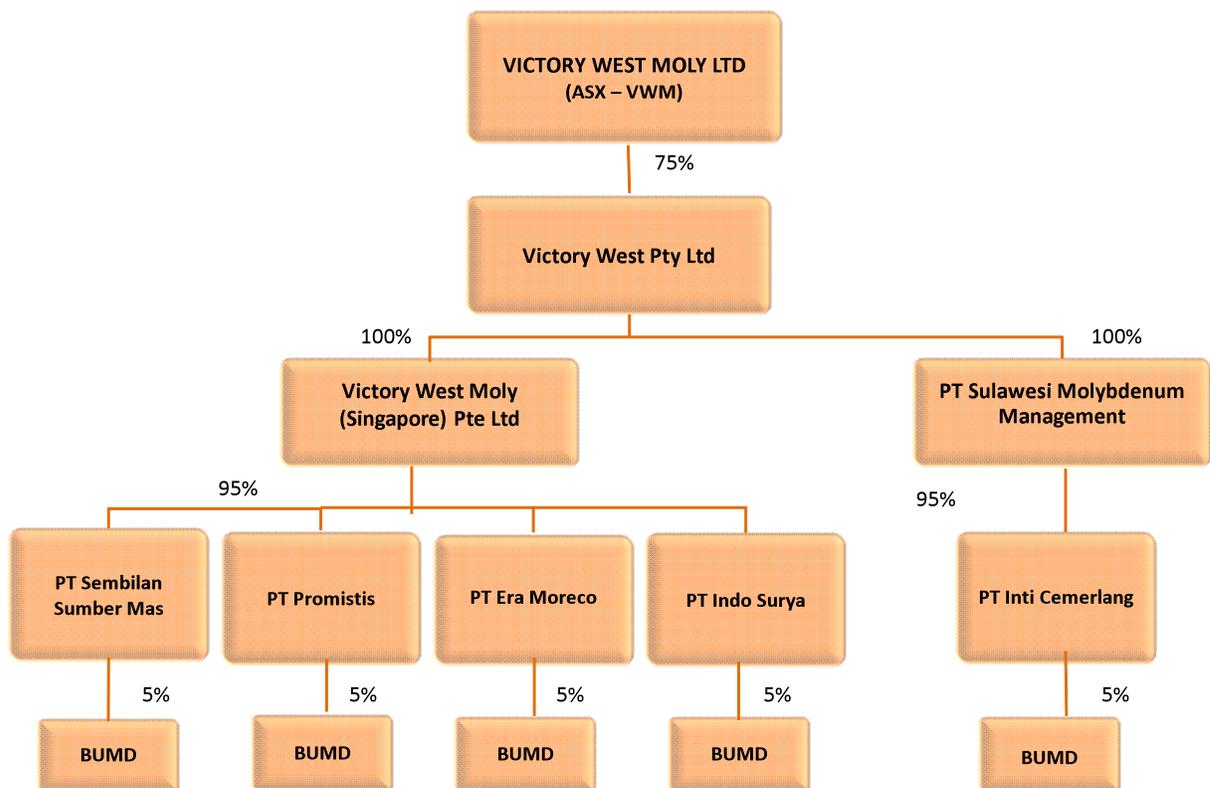


Figure 2 – Indicative Group Structure after conversion of 5 Moly Companies to PMA companies and interposed Singaporean holding company,

Inti Cemerlang & Promistis – Production & Operation (Exploitation) IUP Licenses

As previously announced the Company has converted their KP Exploration permits to Exploration IUP concessions as provided under the new mining law in Indonesia. The Company was one of the first resource companies in the Sulawesi region to do so.

The Company is pleased to announce that the application process to convert the Inti Cemerlang and Promistis Exploration IUP concession licenses to Production and Operation (Exploitation) IUP's is underway.

Under Indonesia's new mining laws, IUP's are granted in two stages, namely the Exploration IUP and the Operation & Production IUP. Under the old mining Law an Exploration KP was

granted for 3 (three) years, followed by an Exploitation KP for 30 (thirty) years. The Exploration IUP for metal minerals may be granted for the maximum period of 8 (eight) years and the subsequent Production Operation IUP can be granted for 20 (twenty) years, extendable for a further 2 (two), 10 (ten) year periods.

The Company (via PTSMM) has engaged experienced local consulting groups to undertake the required feasibility and environmental (AMDAL) studies. It expects these studies will take approximately 4-6 weeks to complete, upon which the formal application process will begin.

This is a very important strategic step, as it provides the Company with significantly longer and stronger tenure making it increasingly attractive for further investment.

Yours sincerely



Robert Hyndes
Chief Executive Officer

About Victory West Moly Limited

Victory West Moly Limited (VWM) is a metals focused resource exploration company listed on the Australian Securities Exchange (ASX code: VWM) and Frankfurt Stock Exchange (FSE code: R1E).

VWM is currently focused on exploring and developing its cornerstone asset, the highly prospective Malala Molybdenum Project (23,747 Ha total) located in Sulawesi, Indonesia, approximately 12km from a deep water harbour at Malala Bay.

VWM is in the process on delineating the size and grade of the Anomaly B prospect through a series of exploration programs including drilling, trenching, geophysics and geochemistry. VWM is yet to define a JORC resources however, it is in the process of verifying an initial minimum Exploration Target at Anomaly B of 105-115Mt @ 660-900ppm Mo based on previous work by Rio Tinto, Santos and the Company. VWM expects to build on this target over time.*

Recent exploration suggests Anomaly B could be just one of a series of molybdenum-bearing prospects within the district, with regional reconnaissance generating a number of high priority targets, including a large target area within the PT Promistis concession.

** In accordance with Clause 18 of the JORC Code, it is important to note that no JORC Mineral Resources or Ore Reserves have been established on these tenements and any current assessment remains subject to ongoing exploration work and drilling. The current interpretation remains preliminary and is based on exploration, evaluation and resource definition work performed by previous owners Rio Tinto and Santos*