

COALWORKS Limited

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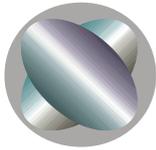
Coalworks Completes \$10.1m Capital Raising

Coalworks Limited (ASX code: CWK) is pleased to announce that it has successfully completed a A\$10.1 million capital raising at \$0.65 per share through the issue of 15.5 million shares. The issue was heavily oversubscribed from a range of global and domestic institutions.

This institutional placement is in addition to the placement to Nathan Tinkler's Boardwalk Resources. As announced on 3 December 2010, the placement to Boardwalk will result in Boardwalk achieving a 19.9% position in Coalworks. It will be at the same price of \$0.65 and is subject to shareholder approval at an EGM, expected to be held in January 2011. The arrangement with Boardwalk Resources also includes a \$25 million Joint Venture in Coalworks's Ferndale project, which is to be signed today after which Coalworks will re-list.

The funds raised will be used for a port allocation bond for Coalworks's Vickery South project, land acquisitions and working capital. The placement was managed by BBY Limited.

Coalworks' Managing Director, Andrew Firek said "2011 promises to be a very exciting year as the company rapidly develops its Vickery South project with Itochu, and our highly prospective Ferndale project with our new JV partner, Boardwalk Resources. I would like to take this opportunity to welcome our new international and domestic institutions to the Coalworks register".



Cautionary Note: *This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subjected to risk and uncertainties that might be out of control of Coalworks Limited and may cause actual results to differ from the release. Coalworks Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.*

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About COALWORKS

Coalworks has a portfolio of projects in Australia including:

1. **Oaklands (JORC measured, indicated and inferred 822Mt thermal coal)**
– see ASX announcement 5.11. 2009;
2. **Oaklands Bankable Feasibility Study underway;**
3. **Strategic Alliance with Synthesis Energy Systems Inc to develop Oaklands coal-to-petrol plant announced – see ASX announcement 2.12.2009**
4. **Vickery South, Gunnedah Basin (exploration target coking/thermal coal)**
JORC inferred resource 42MT (see ASX announcement 15 April 2010)
5. **Hodgson Vale (exploration target thermal coal)**
6. **Ashford (limestone deposit with high value lime products as the target).**
7. **Ferndale Coal Project (New Exploration Target 350Mt – 530Mt of coking/thermal coal)**
See Announcement 19.11.2010