

## **COALWORKS Limited**

**25 November 2010**

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Via e-lodgement

# **SEISMIC INDICATES FAVOURABLE GEOLOGY AT FERNDALE**

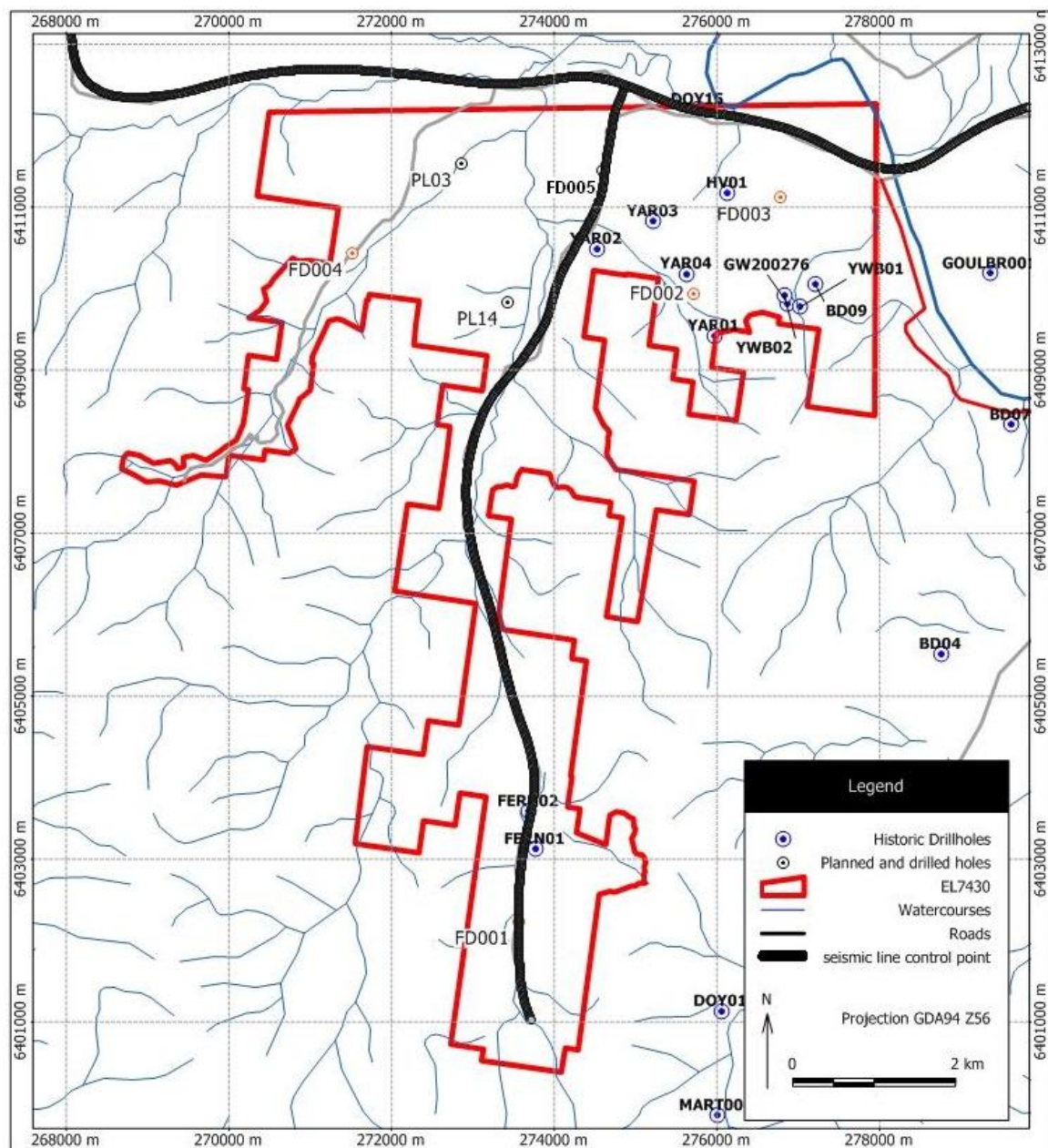
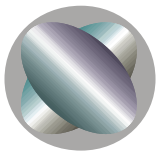
*❖ Recently acquired seismic data indicates gentle dips, continuous seams  
and minimal faulting in northern portion of tenement*

**COALWORKS Limited** (ASX: **CWK**) As previously announced, Coalworks has continued Phase 1 Drilling at Ferndale (EL7430). Five of the seven Phase 1 drill holes have been completed, targeting open pit and underground coking/thermal coal.

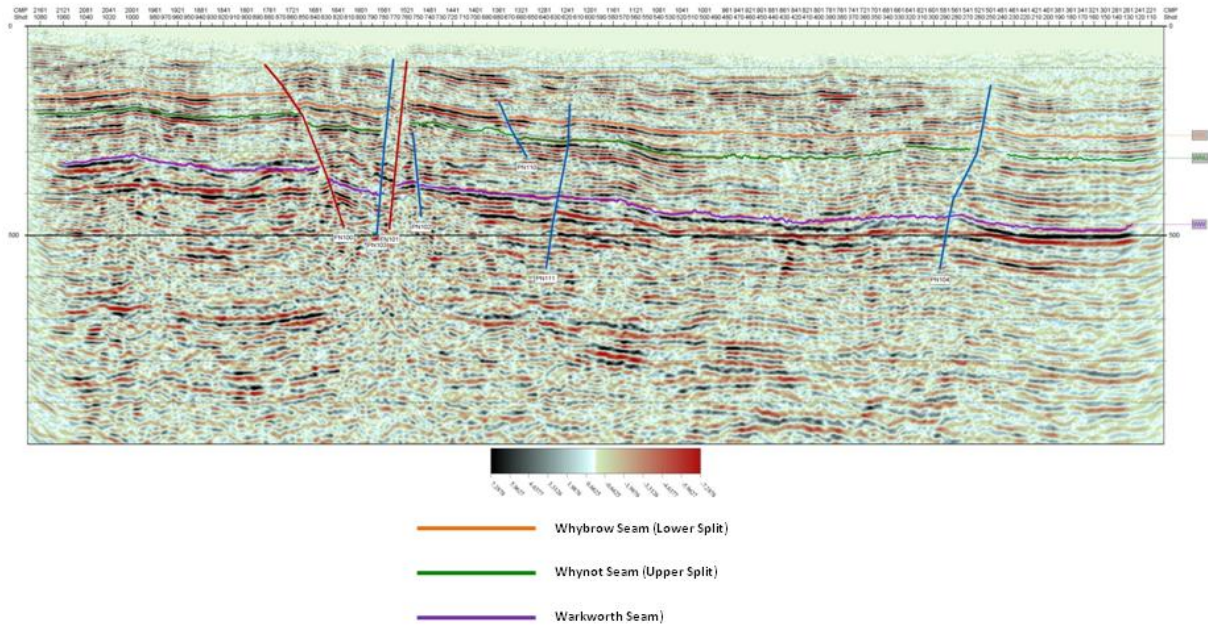
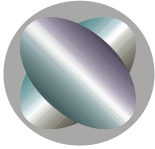
2-D seismic reflection survey data conducted in 2008 have recently been acquired (see Figures 1 and 2). Tentative seam correlations and fault interpretations were undertaken by Velseis in 2010. This indicates that a predominantly simple geological structure comprising gentle dips, continuous seams and minimal faulting, is likely to exist in the northern portion of the tenement. These characteristics show that, in conjunction with geological modelling of exploration data acquired to date, the area contains good underground mining potential. Further Phase 1 drill hole data from the tenement's northern portion will be added to the geological model as the data is acquired. Upon completion of the Phase 1 program, results of the seismic interpretation will be incorporated into the geological model.

Coalworks Managing Director and CEO Andrew Firek said:

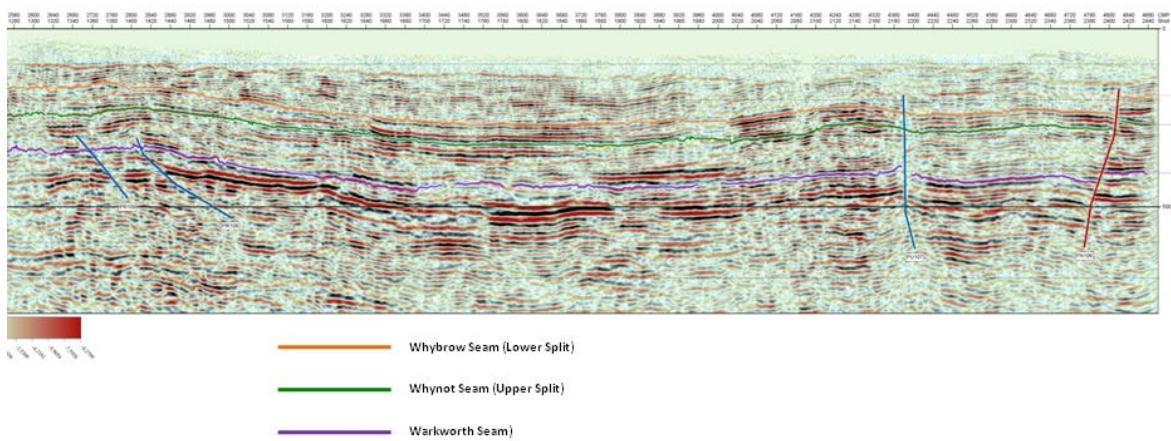
"The seismic results confirm our expectations that we could have a potentially viable underground coking coal operation".



**Figure 1:** EL7430 Ferndale - Phase 1 drillhole locations (prefixed FD), planned drillsites (prefixed PL), other drillholes and water bores, and location of 2008 seismic reflection survey traverses.

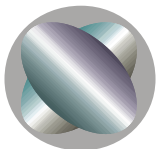


**Figure 2** South to north seismic traverse PEL 4-4-04 filtered migrated stack (through EL7430). Some tentatively interpreted Wittingham Coal Measures seams are shown (vert. exagg. approx. 2.5).



**Figure 3** West to east 2D seismic survey PEL 4-4-18 filtered migrated stack (eastern half of traverse, covering the area shown in Figure 1). Some tentatively interpreted Wittingham Coal Measures seams are shown (vert. exagg approx. 2.5).





**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.*

**The following statements apply in respect of the information in this report that relates to Exploration Results and Mineral Resources:** *The information is based on, and accurately reflects information compiled by Mr Tom Bradbury, who is a Member of The Australasian Institute of Mining and Metallurgy.*

*Mr Bradbury is a geologist employed by Geos Mining. He has the relevant experience in relation to the coal deposits being reported on to qualify as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Identified Mineral Resources and Ore Reserves. Mr Bradbury has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

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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