

ASX / Media Release

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ATTILA COMMENCES DRILLING PROGRAM AT KODIAK COKING COAL PROJECT

Highlights

- Maiden drill program commenced at Kodiak Coking Coal Project
- 26 diamond drill holes are planned for a total of approximately 12,400m of drilling
- Aim to convert 80-100Mt Exploration Target* into a JORC compliant resource
- JORC compliant resource due after completion of program (approx. 6 months)
- Program will assess coal quality, gas desorption testing and geotechnical data for mine planning

Kodiak Coking Coal Project, Alabama USA (AYA 70%)

Attila Resources Limited (ASX: AYA; AYAO) is pleased to announce that it has commenced drilling at its 70% owned Kodiak Coking Coal Project in Shelby County, Alabama, USA.

Boart Longyear has commenced drilling with 2 diamond core drill rigs currently on site with a third rig expected in early August 2012 (Fig 1). A total of approximately 12,400m of drilling has been planned over 26 drill holes.

The drilling program aims to achieve the following objectives:

- Delineate the mineable bodies of coal in the Atkins and Coke coal beds.
- Convert the 80-100Mt Exploration Target* into a JORC Code Compliant Resource.
- Establish coal quality, with an emphasis on the metallurgical qualities of coal from the two beds.
- Gain knowledge regarding geologic conditions for use in mine planning and development.
- Provide basis for preparation of a detailed feasibility study to follow after completion of JORC Code Compliant Resource.

**This exploration target is not a Mineral Resource. The potential quality and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

- Gas desorption testing will be done on the Atkins and Coke coal cores to assist in designing the ventilation systems for the planned mines.

The drilling program will be conducted in sequential phases and it is estimated this will take up to 6 months to complete. The programs of work will be supervised by geological consulting firm Stagg Resource Consultants.

Detailed analytic work to be conducted on the coal will include sink-float testing for use in modifying the preparation plant and optimizing preparation yields; analyses of the chemical properties of the coal; and petrographic and rheologic studies to establish key coking coal characteristics.

Corporate Advisor, Evan Cranston, said in respect of the drill program:

“Attila is extremely excited to commence drilling at its 70% owned Kodiak Coking Coal Project only a few weeks after its acquisition in late June. The speed at which Attila was able to commence drilling is a testament to the quality and experience of its joint venture partners and Stagg Resource Consultants. Attila looks forward to converting the 80-100Mt Exploration Target* into a JORC Compliant Resource, a milestone that will be extremely significant in the life of the Company.”

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Competent Person Statement

The information in this report that relates to exploration results is based on information compiled by Mr. Leigh Ryan, a director of the Company, who is a member of the Australian Institute of Geoscientists. Mr. Ryan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Ryan consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Further information on the Exploration Target

This exploration target is based primarily on information gained during exploration drilling for coalbed methane beginning in the late 1980's and continuing on an intermittent basis to the present. Although none of these programs were intended to define exploration targets and to quantify Mineral (Coal) Resources and Reserves related to the mining of coal, the geophysical logs of these holes provide a wealth of information in this regard. Approximately 90 such wells have been drilled on or proximate to the property to be leased, with the geophysical logs from all wells having been reviewed and coal beds correlated by Stagg Resource Consultants, Inc. (“STAGG”). Additionally, information regarding the thickness and general bed composition of the Atkins and Coke coal beds has been extracted and used by STAGG to conduct geologic modeling in order to quantify tonnage in the two beds. The information gathered in this fashion has been supplemented with the results of ten diamond core drill holes at various locations on the property. Accordingly, the exploration target has been well defined, with the lateral continuity and geometry of the Atkins and Coke coal beds being well established. Because no quality data can be derived from the geophysical logging and because visual observations of the target coal beds and the strata lying above and below cannot be made, the tonnage estimated does not qualify as a Mineral (Coal) Resource.

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Fig 1: Boart Longyear diamond drill rig drilling at Kodiak Coking Coal Project, Alabama, USA.

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