



COAL FE RESOURCES LIMITED

Company Announcements Office
Australian Stock Exchange
PO Box H224, Australia Square
Sydney NSW 2000

7 August 2009

By Electronic Lodgement

COAL FE RESOURCES LTD (“CES”) CAPITAL RAISING EXERCISE – PLACEMENT OF SHARES

On 14TH April 2008 the Company announced that PT Toba Jaya (“Toba Jaya”) will jointly manage and administer the mining activities of the PT Pancaran Surya Abadi Concession (“Abadi Project”), with CES subsidiary, PT Techventure Indocoal (“Indocoal”).

All mining and project costs for the Abadi project will now be borne by PT Toba Jaya as announced on 14th April 2008. Through its subsidiary Indocoal, CES will receive a maximum of up to USD3 per Mt upon production and sale of the coal. The mining schedule is designed to accommodate a coal production of up to 900,000 Mt per annum. The Exploitation Licence issued for the Abadi Project is for a period of 16 years expiring on 18 December 2024.

In meeting the Company’s working capital requirements moving forward, the Board is pleased to announce that a placement of 2,500,000 number of new ordinary shares at 5 cents each, and 5,000,000 number of new ordinary shares at 10 cents each, amounting to 7,500,000 new ordinary shares (“placement shares”) will be placed to Toba Jaya nominee, Courage City International Limited (“CCIL”). The placement shares represents the \$625,000 funds invested in the Company so far by Toba Jaya raising the capital required for the Abadi project and CES corporate costs until the production of Abadi project commences in October 2009.

The placement shares will result in CCIL holding 9.46% of the enlarged issued capital of the Company.

The Company will also distribute its 10,000,000 number of ordinary shares shareholding in Handini Resources Limited (stock code: HDI) as an *in-specie* distribution to its shareholders as registered on the shareholders list as at 5:00 pm on 21 August 2009 WDST. Based on the enlarged existing issued capital of 79,239,253 number of ordinary shares, the in-specie distribution will result in an approximately 1 HDI share for 7 share held in the Company.

This injection of capital by Toba Jaya ensures the immediate cash requirement of the Company is met and the Company now requests the Exchange to uplift the suspension of the Company.

Yours faithfully



Faris Azmi Abdul Rahman
Executive Director/Company Secretary

Suite 1/76,
Canning Highway
Victoria Park
Western Australia 6100

T : +61 8 9470 9156

F : +61 8 9470 9157

W : www.coalferesources.com