



# COALWORKS Limited

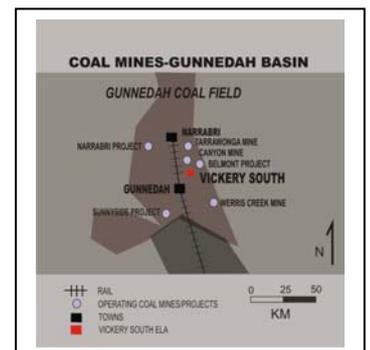
29 October 2009

The Manager  
Company Announcements Office  
ASX Limited  
Via: [www.asx.online.com](http://www.asx.online.com)

## VICKERY SOUTH COAL EXPLORATION LICENCE GRANTED

### Highlights

- Vickery South EL is in the coal-rich Gunnedah Basin, NSW
- Proximity to other operating mines
- Railway ~320 km to Newcastle
- Thermal and coking coal resource target: 50 - 70 Mt
- Initial production target 2Mtpa, increasing to 4Mtpa
- Potential for open pit & underground mining



**Coalworks Limited (ASX:CWK)** today announced that it has been granted a new Exploration Licence, EL 7407, in the Vickery South coal area in New South Wales. The deposit is south of Whitehaven's Canyon Mine and is prospective for semi soft coking coal and export thermal coal.

Coalworks Managing Director and CEO Andrew Firek said: "Based on a review of existing drill holes and other data by Coalworks' geologists, a resource target of 50 to 70 million tonnes of semi soft coking coal and high quality export thermal coal is the current objective.

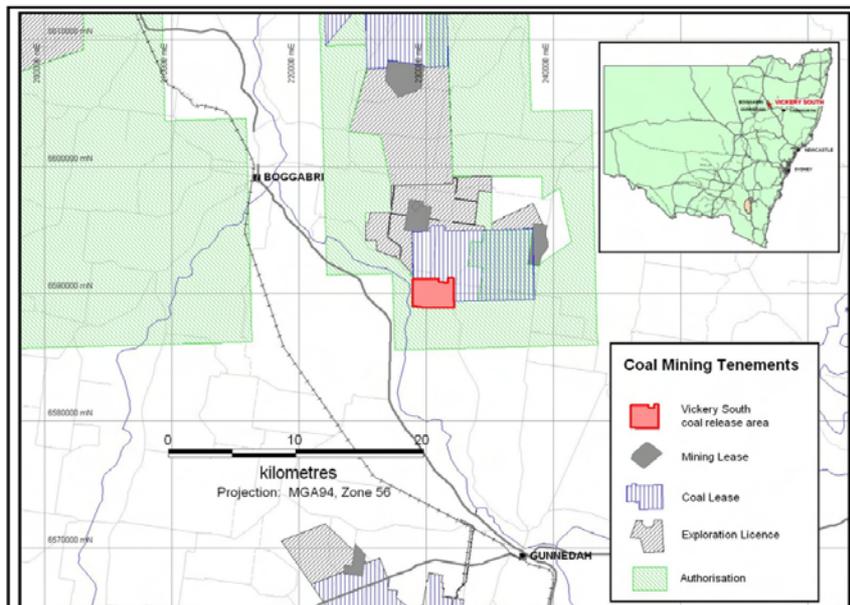
"We are delighted to be adding this valuable asset to the Coalworks' portfolio which is consistent with Coalworks' objective of creating shareholder value through building an inventory of large coal assets in world-class coal provinces and bringing them into production and profitability," he said.

In anticipation of receiving the grant, Coalworks planned an initial field exploration program for the new Vickery South coal project. Work to confirm the geological interpretation will now proceed with the aim of providing baseline data to commence a preliminary mining study.

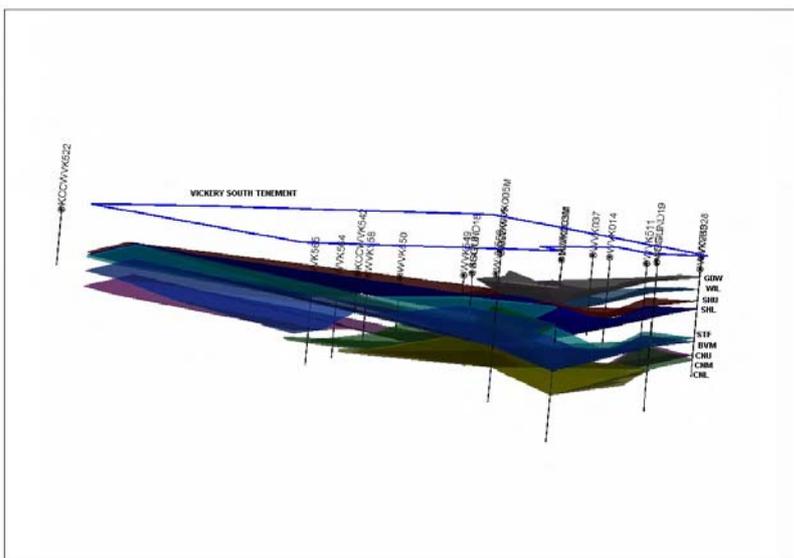
## Background

In 2008 the NSW Dept of Primary Industries (DPI) invited parties to submit expressions of interest for exploration licences in restricted coal release areas. Coalworks was selected as the successful applicant in respect of the Vickery South coal release area. Coalworks was required to submit a conceptual exploration and mine development program to the DPI based on existing knowledge of the coal seams in a competitive tender process against other mining companies. The area is shown on the diagram below and lies south of Whitehaven's Canyon Coal Mine.

The Gunnedah Basin is emerging as a major coal producing area, following interest from international coal and resource companies including Rio Tinto, BHP Billiton and major Japanese company Idemitsu.



**EL area granted to Coalworks shown in red**



**3-D model of Coal Seams in Coalworks's EL area based on existing data**

## Exploration Program

Coalworks has already formulated a detailed exploration program which will now be submitted to the DPI to allow drilling to commence this year. The program will involve both drilling to extend existing drilling information and seismic to provide a sound understanding of seam geometry. This will enable a preliminary mining study to be prepared next year.

For further information, please contact:

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### **About COALWORKS**

*Coalworks has a portfolio of projects in Australia including Oaklands (JORC indicated and inferred 760m\* thermal coal; Bankable Feasibility Study underway), Vickery South (exploration target coking/thermal coal), Hodgson Vale (exploration target thermal coal) and Ashford (limestone deposit with high value lime products as the target).*

*\*See Coalworks' ASX announcement 11 March 2009*

### **JORC Statement**

*The information in this report relating to resources is based on information compiled by Tom Bradbury who is a member of the Australasian Institute of Mining and Metallurgy and who is employed by Geos Mining. Tom Bradbury has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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." Tom Bradbury consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."*