

Fortnightly Update : Coal Report

Corporate

Aston investors approve Whitehaven takeover – Shareholders have approved a A\$2.2 billion takeover of Aston Resources by Whitehaven Coal. The deal was approved on April 15th and will create Australia's largest listed independent coal company. The takeover combines Whitehaven's five open cut mines and Aston's 85 per cent held, undeveloped Maules Creek project, all in NSW's Gunnedah Basin. Whitehaven also has an 11 per cent interest in the

- Newcastle Coal Infrastructure Group. Whitehaven's pending acquisition of Boardwalk, an unlisted public company, is conditional on the Aston takeover proceeding. Boardwalk currently holds the Ferndale coal project in NSW, the Sienna Project, Monto Project and Dingo Joint Venture Project in QLD. All of Boardwalk's assets are located in established coal mining areas, with well-understood geology in proven coal basins. Implementation of the takeover is expected to occur on May 2, 2012.

Essar plans to buy coking coal mines in Africa or Australia – Essar Steel is planning to acquire coking coal mines in Africa or Australia. Essar hopes to acquire a coking coal mine within the next year or two. Africa may be its preferred destination as the continent is fairly unexplored compared to other locations. Additionally the tax structure in Australia makes it less viable, with

- increased taxes on coal profits and a newly introduced a carbon tax. Globally there is a shortage of coking coal making it expensive and motivating steel companies to secure coking coal resources.

Markets

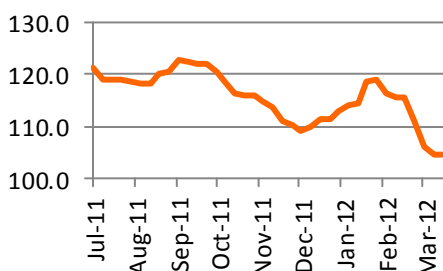
BMA coal mine closure presents A\$1 billion export threat - Billiton

Mitsubishi Alliance's (BMA) will stop production next month at their Norwich Park mine near Dysart in central Queensland. This closure means A\$1 billion of coal exports are under threat. Recent industrial action, last year's floods, cost increases and lower coal prices are to blame for the closure.

Indonesia to subject coal to export tax - Indonesia's trade ministry has announced that coal will now be subject to an export tax. This tax will help to increase state revenues, prevent exploitation, protect the environment and maintain coal reserves. Export taxes may also be applied to other minerals, creating uncertainty in Indonesia's large mining sector.

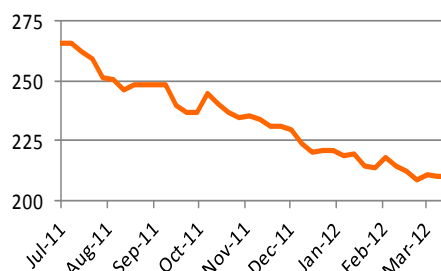
Source: London Commodity News

Thermal Coal Spot Prices¹ (US\$ per tonne)



Source: Bloomberg
Notes: 1) FOB Newcastle

Hard Coking Coal Spot Price² (US\$ per tonne)



Source: Bloomberg
Notes: 2) FOB Australia Mid Volatile

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2 May 2012

Market Snapshot

| Company Name | Code | Price (\$) | % Change |
|--|-------|------------|----------|
| ASX LISTED Producers | | | |
| Bathurst Resources Ltd | BTU | 0.65 | 3.2% |
| Coal of Africa Ltd | CZA | 0.86 | -1.1% |
| Cockatoo Coal Ltd | COK | 0.27 | -30.3% |
| Continental Coal Ltd | CCC | 0.19 | 8.8% |
| Gloucester Coal Ltd | GCL | 7.78 | -10.5% |
| Gujarat NRE Coking Coal Ltd | GNM | 0.18 | 0.0% |
| Kangaroo Resources Ltd | KRL | 0.12 | -20.0% |
| New Hope Corp Ltd | NHC | 4.87 | -11.6% |
| Whitehaven Coal Ltd | WHC | 5.18 | -5.5% |
| ASX LISTED Explorers/Developers | | | |
| Acacia Coal Ltd | AJC | 0.039 | -22.0% |
| African Energy Resources Ltd | AFR | 0.230 | -13.2% |
| Aspire Mining Ltd | AKM | 0.285 | -21.9% |
| Aston Resources Ltd | AZT | 10.350 | 13.4% |
| Bandanna Energy Ltd | BND | 0.705 | 12.8% |
| Blackgold Intl Holdings Ltd | BGG | 0.260 | 40.5% |
| Blackwood Corporation Ltd | BWD | 0.200 | -13.0% |
| Carabella Resources Ltd | CLR | 0.785 | -27.6% |
| Coalbank Ltd | CBQ | 0.061 | -12.9% |
| Coalspur Mines Ltd | CPL | 1.685 | 8.0% |
| Coalworks Ltd | CWK | 0.850 | 41.7% |
| Cokal Ltd | CKA | 0.370 | -21.3% |
| County Coal Ltd | CCJ | 0.550 | -21.4% |
| Draig Resources Ltd | DRG | 0.380 | -54.8% |
| Endo Coal Ltd | EOC | 0.390 | -13.3% |
| Firestone Energy Ltd | FSE | 0.009 | -10.0% |
| Guildford Coal Ltd | GUF | 0.675 | -7.5% |
| Hodges Resources Ltd | HDG | 0.240 | -11.1% |
| Ikwezi Mining Ltd | IKW | 0.200 | 25.0% |
| International Coal Ltd | ICX | 0.315 | 10.5% |
| Intra Energy Corp Ltd | IEC | 0.285 | -8.1% |
| Jameson Resources Ltd | JAL | 0.360 | 50.0% |
| Lemur Resources Ltd | LMR | 0.155 | -6.1% |
| NuCoal Resources NL | NCR | 0.300 | 7.1% |
| Rocklands Richfield Ltd | RCI | 0.330 | 3.1% |
| Resource Generation Ltd | RES | 0.390 | 5.4% |
| Rey Resources Ltd | REY | 0.145 | 11.5% |
| Stanmore Coal Ltd | SMR | 0.695 | -7.3% |
| Tiaro Coal Ltd | TCM | 0.325 | 30.0% |
| Tigers Realm Coal Ltd | TIG | 0.255 | -15.0% |
| Universal Coal Plc | UNV | 0.200 | -4.8% |
| Xanadu Mines Ltd | XAM | 0.275 | -17.9% |
| ZYL Ltd | ZYL | 0.170 | 6.3% |
| AVERAGE PERFORMANCE | | | -2.6% |
| TSX LISTED | | | |
| Cardero Resources Corp. | CDU | 1.12 | 8.7% |
| Cline Mining Corporation | CMK | 1.68 | -2.9% |
| Coalspur Mines Ltd | CPT | 1.58 | -6.0% |
| Colonial Coal International | CAD | 1.43 | -12.3% |
| Corsa Coal Corp | CSO | 0.40 | -29.8% |
| EastCoal Inc | ECX | 0.39 | -9.4% |
| Forbes & Manhattan Coal | FMC | 1.73 | -1.1% |
| Grande Cache Coal Corp | GCE | 9.99 | 1.0% |
| Homeland Energy Group Ltd | HEG | 0.05 | -35.7% |
| Northern Energy & Mining | NNE.A | 0.99 | -5.7% |
| Pacific Coal Resources | PAK | 0.38 | -10.7% |
| Prophecy Coal Corp | PCY | 0.47 | 6.8% |
| South Gobi Energy | SGQ | 6.94 | 9.1% |
| Xinergy Ltd | XRG | 2.05 | -41.4% |
| AVERAGE PERFORMANCE | | | -9.2% |
| ASX All Ordinaries | | 4,497.30 | 8.2% |

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