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Companies Announcement Office  
Australian Securities Exchange Limited

**MEDIA RELEASE**

**China's largest private coal trading organisation – China Qinfu Group – lifts stake in Tiaro Coal to 30%**

Tiaro Coal welcomes the increased involvement of China Qinfu Group Ltd (**Qinfu**) in the company as a platform for creating shareholder wealth by generation of dividends from coal trading investments and asset appreciation through the development of JORC compliant coal resources.

Following shareholder approval at the general meeting held on 25 March 2010, Bright Rock Holdings Ltd, an indirect wholly owned subsidiary of Qinfu, has subscribed for 8 million shares at 25 cents per share raising \$2,000,000, thus increasing their total holding to 30%.

The cornerstones of the Qinfu and Tiaro Coal strategic relationship are threefold:

1. Through Tiaro Coal's exploration and future acquisition activities identify proprietary coal resources to provide Qinfu with exclusive off take purchase rights at market prices.

Currently Tiaro Coal is undertaking an exploration program over two target areas in EPC 956 and EPC 957 with an objective to establish a JORC compliant coal resource in the vicinity of 20-30 million tonnes with an inner target of 5 tonnes of high ranked coking coal.

Tiaro Coal through participation in two joint ventures continues to hold the majority interest in coal exploration tenements over the Tiaro Coal Measures in southeast Queensland covering 1,623 square kilometres including EPC 956 and EPC 957 with further 2,097 kilometres primarily over the adjoining Burrum Coal Measures under application with the Queensland Government Department of Mines and Energy.

Coal quality tests from earlier drilling programs in granted coal tenements has identified coal occurrence with ranks ranging from coking coal (CSN > 8), pulverized coal injection (PCI) and thermal coals.

2. Through the jointly owned Australian Minerals Trading Pty Limited (**AMT**) and with the support of bulk commodity procurement specialist Australian Commodity Traders Exchange Pty Limited to identify third party sources of coal to channel into Qinfu coal and bulk commodity blending and logistics networks in China (see overview hereunder).

Profits derived by Tiaro Coal through its investment in and support of AMT will generate funds for development of coal assets capable of producing mineable products.

3. Development of potential and emerging opportunities including:
  - a) Acquisition by AMT of fixed coal allocations from existing and developing mines to support the collaboration objectives of its shareholders; and
  - b) Identification of the availability and commercial viability of a small anthracite occurrence in granted EPCs held by Tiaro Coal. The existence of anthracite was first recorded in 1890 by through the work of renowned Queensland Government assistant government geologist William H Rand. At this time a shaft was sunk to a depth of 10 foot (3.04 metres) to test and identify a seam of approximately 0.5 metres for the presence of anthracitic coal properties.

**Underground Coal Gasification (UCG)**

Ongoing investigation of a possible UCG occurrence in EPC 956 will continue as part of Tiaro Coal's management of the participating joint ventures.

During the 2009 exploration campaign, gas was intercepted in this tenement at a number of drill hole locations at depths above 150 metres.

Under the DOME Under Ground Coal Gasification Policy guidelines Tiaro Coal has registered its interest over all tenement holdings for Nominated Areas for Insitu Coal Gasification Products.

Further information

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**Overview - China Qinfu Group**

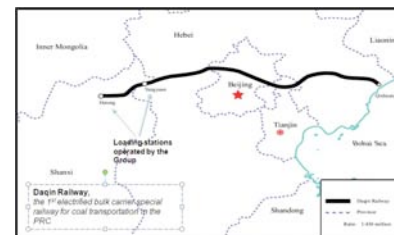


Figure 1 - Daqing Railway

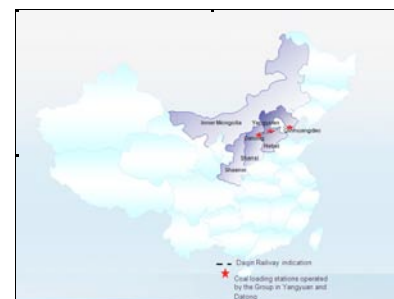


Figure 2 - PRC Domestic Market

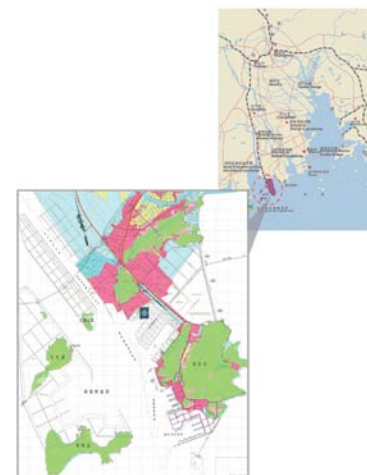


Figure 3 - Future transportation planning map of Zhuhai Port

Established in 1996, China Qinfu Group Limited ("Qinfu") (HKEx Stock Code: 00866.HK) is a leading non-state-owned coal operator in China.

The Group is principally engaged in the coal operation business involving the purchase, filtering, blending, storage, transportation, sales and shipping of coal. In 2007 Qinfu was ranked the largest non-state-owned coal operator in China in terms of business scale.

An integrated coal supply chain is the key to Qinfu success. With business operations strategically located in Hong Kong, Datong, Yangyuan, Qinhuangdao, Zhuhai and Guangzhou, Qinfu is able to source coal in China as well as overseas markets.

Currently, Qinfu operates two coal loading stations at Datong and Yangyuan along the Daqing Railway, which is the world's largest coal haul railway to the world's largest coal port – Qinhuangdao port in Hebei province.

For the China market, Qinfu source coal mainly from China's western and northern regions, and provide full logistic service and transportation arrangements through ground and sea transportations to deliver to customers in the coastal regions of China.

Overseas coal sources supplied from strategic investments like Tiaro Coal will play an important role in supply chain management to ensure full utilisation of logistics infrastructure in China

China Qinfu Group has its own fleet and chartered vessels, which facilitate our shipping transportation services. Apart from transportation of coal, our vessels also engage in transporting other dry bulk cargos for other customers. Additionally the group is supported by long-term relationships with trade finance providers and unused and available lines of trade facilities.