

20 April 2010

Companies Announcement Office
Australian Securities Exchange Limited

MEDIA RELEASE

TIARO COAL TO COMMENCE BULK MINERALS EXPORT OPERATIONS – SIGNS AGREEMENTS WITH CHINA QINF A GROUP AND BUYING AGENT

The relationship between China Qinf a Group and Tiaro Coal continues to strengthen with the incorporation of a joint venture trading company and execution of a co-operation agreement focussed on developing substantial volumes of export trade in bulk commodities. The initial business focus is on coal.

China Qinf a Group (through its wholly owned subsidiary Bright Rock Holdings Pty Limited) currently holds 13.6 million shares in Tiaro Coal and is now a significant shareholder of Tiaro Coal with a holding of 21%. Shareholder approval was granted at a general meeting of shareholders on 25 March 2010 to increase this interest to 30%.

A joint venture company Australian Minerals Trading Pty Limited (**AMT**) has been formed to facilitate trade supply negotiations and agreements with suppliers in predominantly the Australian and New Zealand markets. AMT shareholders are Yuen Hoi Ltd, a wholly owned subsidiary of China Qinf a Group and Tiaro Coal.

Following completion of the co-operation agreement AMT entered into a service agreement with Australian Commodities Trader Exchange Pty Limited (**ACTE**) to act as its Buying Agent. ACTE is a specialist procurement organisation. The service agreement provides for ACTE to:

- (a) Source coal supplies in Australia, New Zealand, Russia and other countries as maybe agreed;
- (b) Source iron ore supplies in Australia;
- (c) Provide operational & administrative activities associated with coal suppliers and trade finance providers required to finalise purchase contracts with overseas buyers including China Qinf a Group; and
- (d) Provide miscellaneous services, including identifying opportunities whereby reputable coalmines require development capital with the ultimate intention to provide AMT with coal off take capacity for its strategic international shareholder.

The business objective of AMT is to establish a substantial trading house supporting the commodity requirements of its key shareholder China Qinf a Group. For 2010/2011 financial years a business growth target in excess of a million tonnes of exported commodity is planned.

Profits earned by AMT from development of trading activities will be distributed to its shareholders China Qinf a Group and Tiaro Coal, thus providing Tiaro Coal with a source of capital to build its coal exploration and future mining businesses.

Tiaro Coal CEO Peter Meers says, "China Qinf a Group is a leading coal operator in China whose business includes purchase and sales, filtering, blending, storage, transportation and shipping of coal.

TIARO COAL

“China Qinfa core strategic strengths lie in ownership of access rights to Chinese ports (Qinhuangdao and the developing port facility at Zhuhai), ownership of rail off-loading stations and its fleet of wholly owned bulk ship carriers. China Qinfa Group owns Chinese coal mines in Shaanxi and Inner Mongolia.

“China Qinfa Group has strong financial institution support from trade finance providers as well as negotiation capacity to ensure “on time bulk ship allocations” with vessel charterers.”

The trading platform for the commencement of operations by AMT is now in place.

China Qinfa Group

Established in 1996, the Qinfa Group is a leading coal operator in China whose business includes purchase and sales, filtering, blending, storage, transportation and shipping of coal. QINFA was the largest non-state-owned coal operator in China in terms of annual coal trading volume for the year ended 31 December 2008, The Group has established long-term business relationship with major power plants, cement plants at China Eastern Seaboard including Guangdong Electric Power Industry Fuel Company Limited, Huayang Electric Power Co. Ltd. and Prosperity Conch Cement Company Limited.

Qinfa Group’s business operations are strategically located in Hong Kong, Datong, Yangyuan, Qinhuangdao, Zhuhai, Guangzhou and Inner Mongolia and they source coal both in China as well as in overseas markets.

Qinfa Group operates two coal loading stations at Datong and Yangyuan along the Daqin Railway, which is the world’s largest coal haul railway, to Qinhuangdao port in Hebei province of China, the world’s largest coal port. Additionally, Qinfa Group also operates two coal loading stations in Baotou City, a major coal production area in Inner Mongolia. These two coal stations are on a major railway line linking to the Daqin Railway.

Qinfa Group has its own fleet of vessels for transportation of its coal and they also facilitate shipping services for other customers transporting other dry bulk cargoes.

The Qinfa Group is currently constructing one 100,000 DWT (construction structure: 150,000 DWT) berth, one 20,000 DWT (construction structure: 50,000 DWT) berth and two 2,000 DWT (construction structure: 10,000 DWT) berths, with an aggregate annual throughput capacity of 20 million tonnes, at Zhuhai Terminal in Southern PRC, expected to be completed by Year 2011.

Qinfa Group completed a global offering (Offering) of its shares on 3 July 2009 and its shares have since then been listed on the main board of The Stock Exchange of Hong Kong Limited. The Offering was highly successful and raised net proceeds of approximately HK\$630 million (AUD\$107 million), with approximately 7 times over-subscription by professional, institutional and private investors and 98 times over-subscription by members of public in Hong Kong.

The objective of the Tiaro Coal – Qinfa relationship is to:

- (a) Support the development of Tiaro coal interests to create a JORC compliant of high quality metallurgical coal resources
- (b) Permit Qinfa to participate through a coal off take agreement of future mining production.
- (c) Through AMT commence coal trading operations to develop profitable bi-lateral coal trade.
- (d) Develop new coal resource opportunities with third party coal mining operations.

TIARO COAL

Tiaro Coal Limited

Tiaro is an Australian mining company that was listed on the Australian Stock Exchange on 3 March 2008 to undertake exploration for commercially viable coal deposits with the potential to produce metallurgical (coking, PCI) coals from the Tiaro Coal Measures.

Since listing Tiaro has successfully completed coal exploration programmes consisting of:

- a detailed airborne magnetic and radiometric survey, to enable better selection of target zones for follow-up exploration;
- seismic surveys to define the targets for drilling;
- drill testing of the targets to define resources of high value (metallurgical) coal; and
- determination of coal quality; and
- a regional gravity survey.

Several coal seams with high CSN (swell) numbers indicative of high quality coking coal were intersected during 2008 in addition to other multiple seams offering PCI and thermal coal product.

Tiaro is currently conducting a JORC definition drilling programme on EPC 956 where additional coal seams are being intersected.

The tenements cover most of the known exposures of the Tiaro Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland.

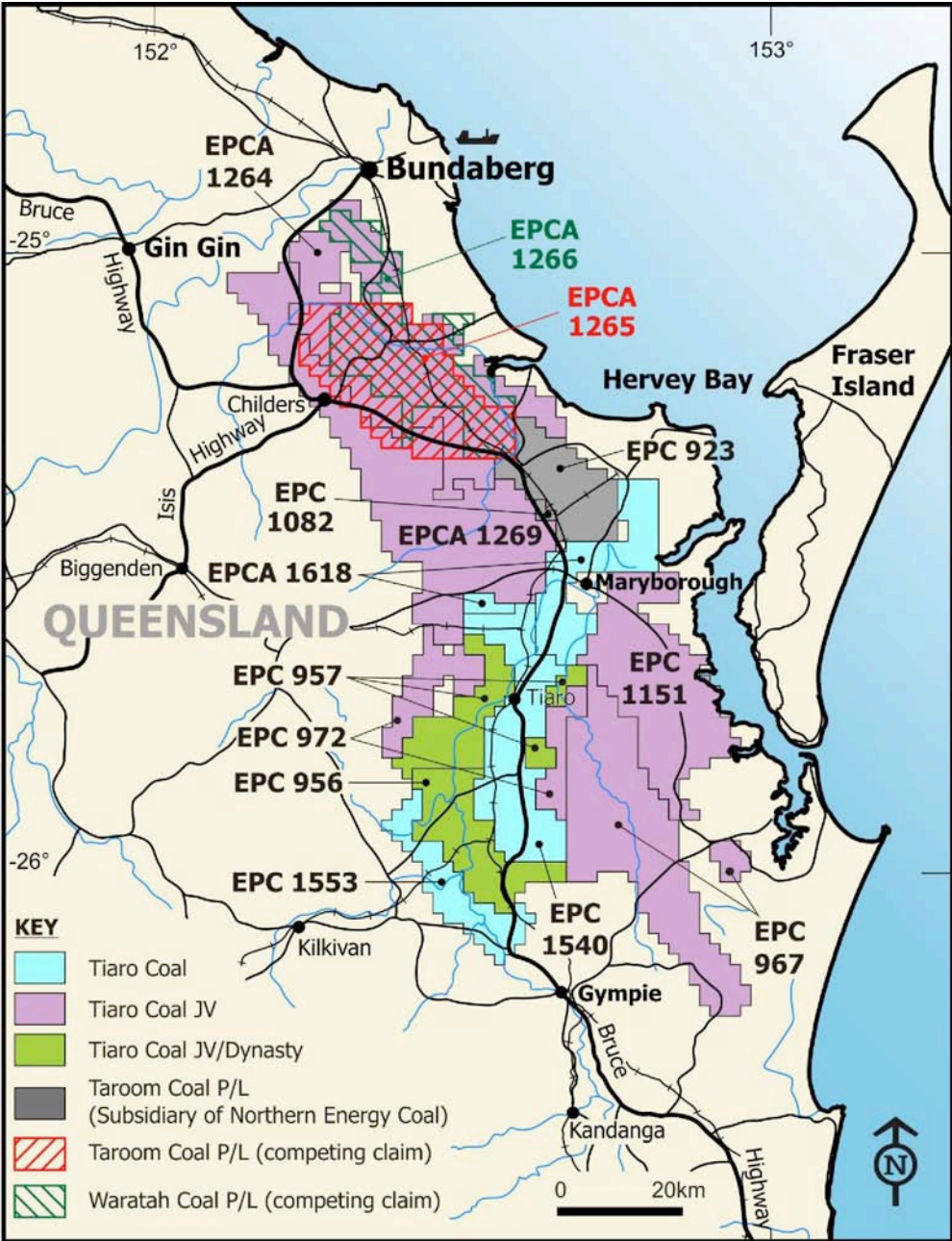
The tenements are well serviced by nearby infrastructure, including manpower, mining support services, road, and rail and port facilities. The rail line bisects the exploration tenements.

Further Information

Peter Meers,
Chief Executive Officer

Telephone: +61 2 9251 7177

TIARO COAL



Extent of Tiaro Coal coal exploration interests at 31 March 2010