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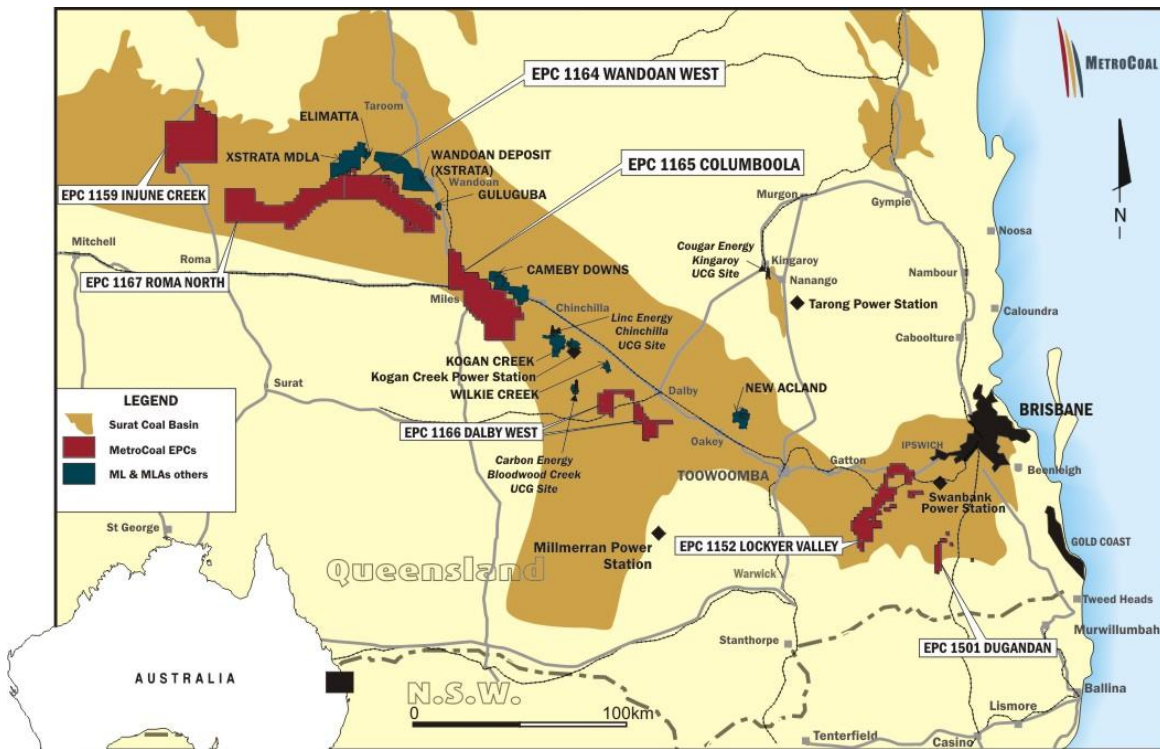
# ASX ANNOUNCEMENT

25 March 2011

## METROCOAL APPOINTS CALDREX TO MARKET 2<sup>nd</sup> JOINT VENTURE ON SURAT BASIN COAL PROJECT

MetroCoal Limited (ASX: MTE) has appointed Caldrex Capital to coordinate the process of marketing and managing current expressions of interest for a Joint Venture partner on the 100% owned Wandoan West tenement (EPC 1164) (see diagram below).

MetroCoal Chairman, David Barwick said "we look forward to working with the team at Caldrex Capital. They bring a strong combination of reach to prospective partners and coal project experience. Our announcement to the ASX on 22 March 2011 advising that we are seeking a JV partner for EPC 1164 has already created significant interest."



**MetroCoal's Surat - Moreton Basin Coal Tenements**

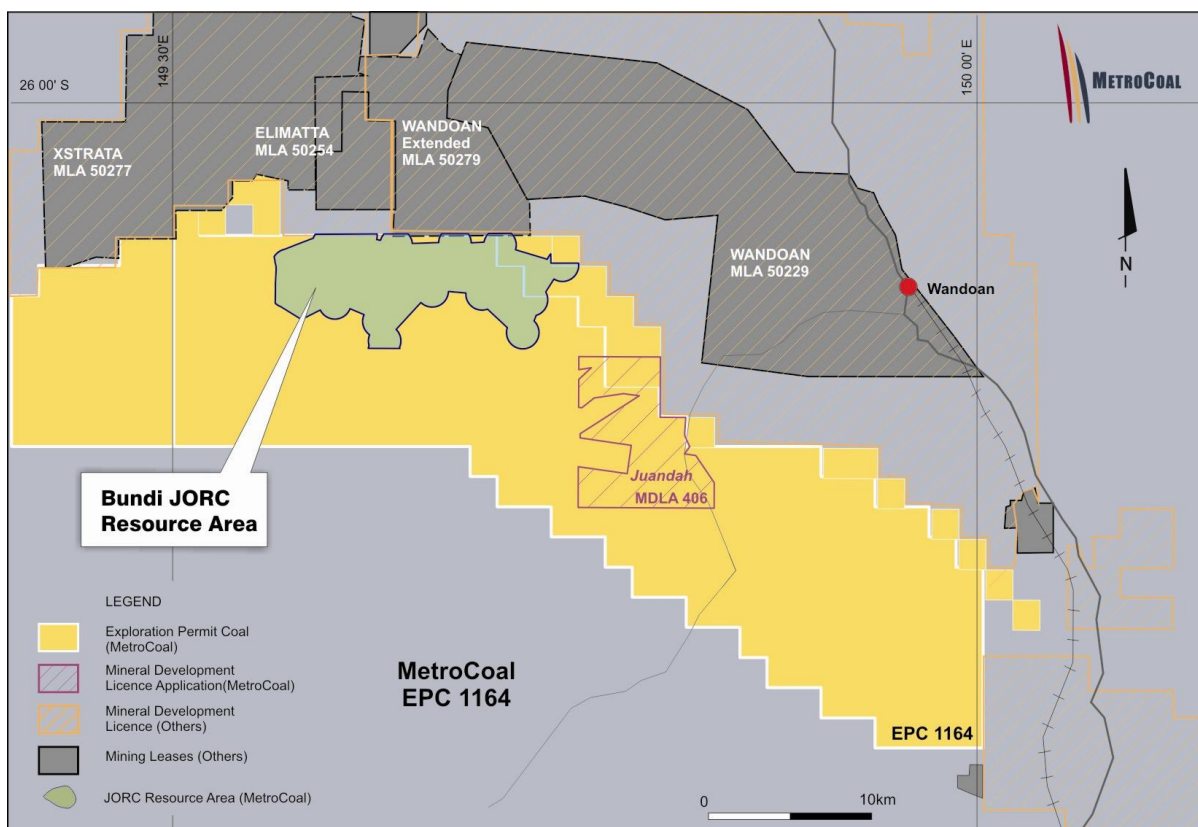
### About Caldrex Capital

Caldrex Capital is an independent corporate finance group with a wealth of experience and expertise in the energy, resources and infrastructure sectors. Caldrex Capital has successfully led a number of coal project acquisitions and feasibility studies, bringing a track record of achievement to the marketing of EPC 1164 for MetroCoal.

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### About EPC 1164 Wandoan West

MetroCoal stated in its 2009 Prospectus that it was pursuing an Exploration Target for the Bundi Project area (see diagram below) of between 240Mt to 335 Mt\* thermal coal suited predominantly for underground mining. Achieving an Inferred Resource of 381Mt to date (see ASX release 19 October 2010) has already exceeded the Bundi target, which represents a small portion of the EPC 1164 tenement area covering 84km<sup>2</sup>. It has been a positive contribution to the corporate goal of achieving an overall Exploration Target of between 2.5 and 3.5 billion tonnes\* with a JORC Code classification of “inferred” or better by the end of 2011 for its Surat Basin coal projects.

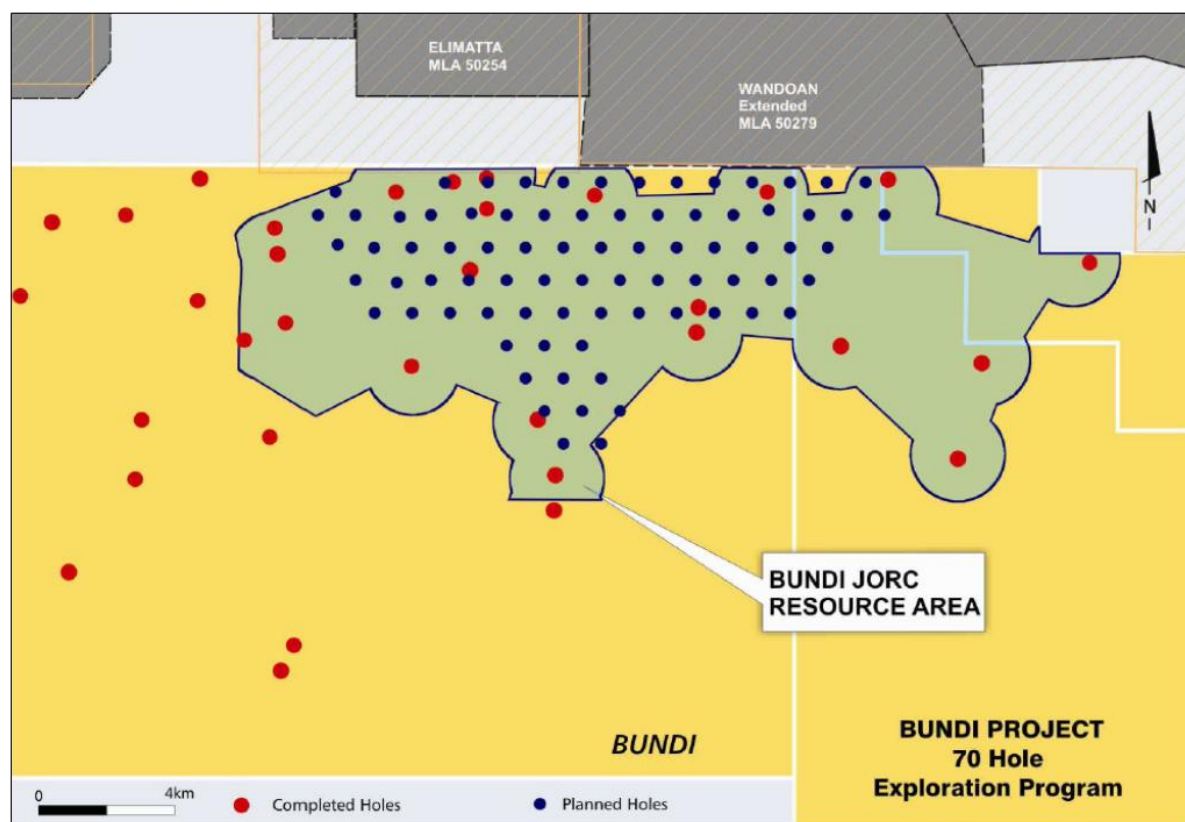


MetroCoal recommenced drilling on the Bundi Project area in February 2011 (see ASX release 11 February 2011). The drilling program that is currently underway consists of 70 holes on a 800m offset grid pattern to optimise drill spacing for resource estimation (see diagram on following page). Drilling is designed to increase resource confidence to Indicated level and provide further data for preliminary underground mining studies.

Drilling in the Bundi Project area will extend southeastwards to increase geological information of the down dip extensions of the Xstrata Wandoan Deposit and potentially bring additional large areas to resource confidence.

MetroCoal announced on 15 March 2011 it had commenced the statutory approval process for a proposed coal mine within EPC1164 through submission of the Initial Advice Statement for the Bundi Coal Mine Project.

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*\*The potential quantity and quality is conceptual in nature, and that there has been insufficient exploration to define a Mineral Resource or Ore Reserve and that it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.*

*The information in this Announcement that relates to the Compilation and Exploration Targets is based on information compiled by Mr Neil Mackenzie-Forbes who is a Member of the Australian Institute of Geoscientists (Membership No 2035). Mr Mackenzie-Forbes is currently the exploration manager of MetroCoal. Mr Mackenzie-Forbes 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'. Mr Mackenzie-Forbes has consented in writing to the inclusion in this Prospectus of the matters based on the information in the form and context it appears.*