



ABN 13 112 682 158

31 May 2011

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(4 pages by email)

Dear Madam

## **SURAT PROJECTS RESOURCE UPDATE**

### **Highlights**

- Increase in total of all categories of JORC compliant Resources for the Tin Hut Creek project to 343.6 million tonnes, up 90%, or 162.3 million tonnes, from 181.3 million tonnes.
- Total Resources for the Tin Hut Creek project now comprise 206.6 million tonnes Indicated Resource and 137 million tonnes Inferred Resource, representing an upgrade of 84% of the previously announced JORC resource categories.
- Tin Hut Creek project JORC Resource polygons extended to 14.4 kilometres along strike and up to 2.5 kilometres wide and to a depth of approximately 150 metres.
- A total of 600 holes for 74,734 metres have been drilled in the Surat Basin projects to date.
- Recent drilling in the Tin Hut Creek project, announced in the last project update had cumulative down hole coal intercepts of up to 13.9 metres with an average thickness of 7.9 metres.

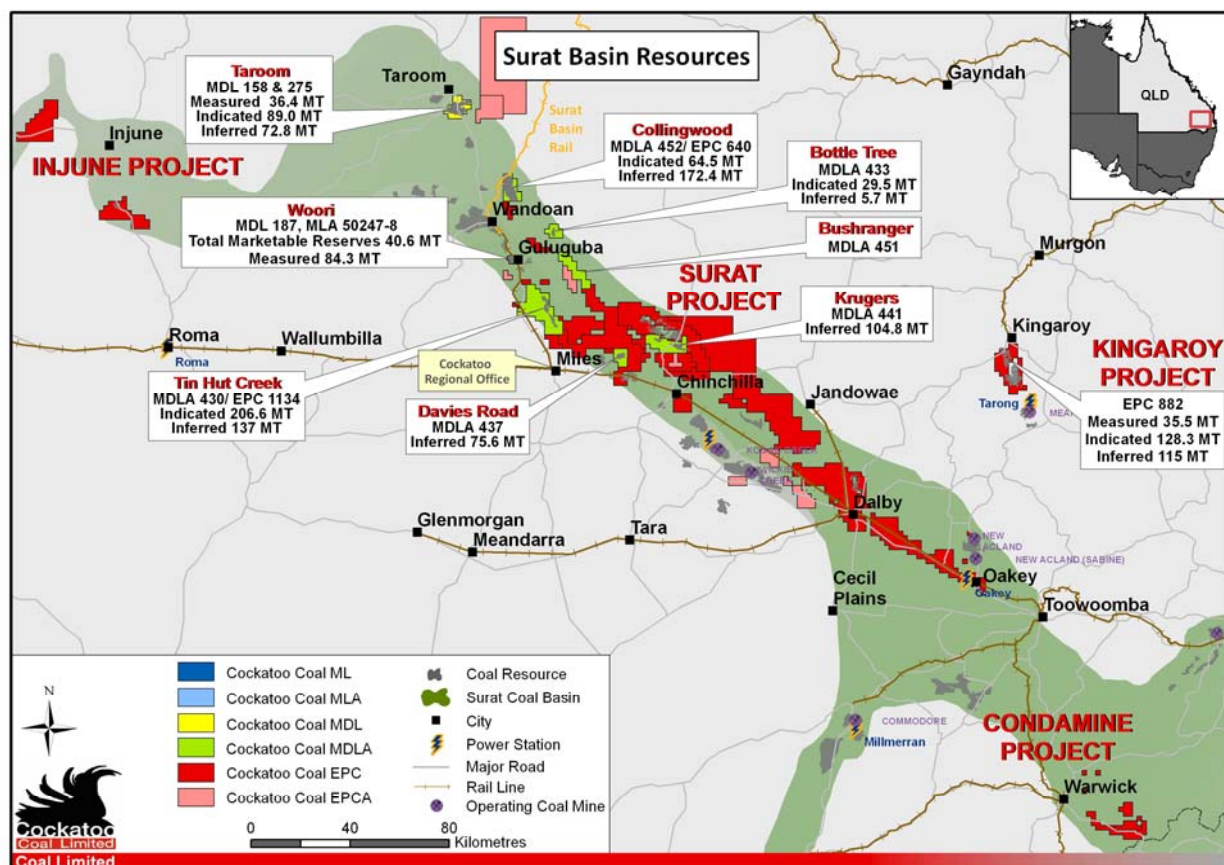
### **The Surat projects**

Cockatoo Coal Limited ('Cockatoo' or 'the Company') has a 100% interest in the Surat projects which comprise MLAs 50247 and 50248 (Woori project), EPC 796 (Horse Creek) and MDLA 441 (Krugers project), EPC 813 (Dogwood Creek) and MDLA 433 (Bottle Tree project), EPC 1041 (Miles) and MDL 437 (Davies Road project), EPC 1134 and MDLA 430 (Tin Hut Creek project), EPC 1135 (Chinchilla), EPC 1136 (Dalby), EPC 1170 (Chinchilla #2), EPC 1278 (Tin Hut Creek North), EPC 1950 (Chinchilla North), EPC 1322 (Wandoan East), EPCA 1593 (Surcingle), EPCA 1967 (Macalister West), EPCA 2092 (Glenrowan), EPCA 2207 (Taroom East) and EPCA 2231 (Gilgulgul).

In addition, the Company has a 51% interest in MDLs 158 and 275 (Taroom project) and EPC 640 (Collingwood).

The Company also holds a 100% interest in EPC 882 (the Kingaroy project), located approximately 20 kilometres north of the Tarong power station and EPCs 963 and 1130 (the Condamine project) and EPCs 1017 and 1018 (the Injune project).

The Company's Surat Basin projects cover an area of approximately 4,000 km<sup>2</sup>. The Juandah and Taroom Coal Measures of the Walloon Sub-Group both sub-crop within the Surat project area. The Woori and Tin Hut Creek projects comprise the Juandah Coal Measures. The Taroom and Collingwood projects and the Bottle Tree and Krugers prospects are located within the Taroom Coal Measures.

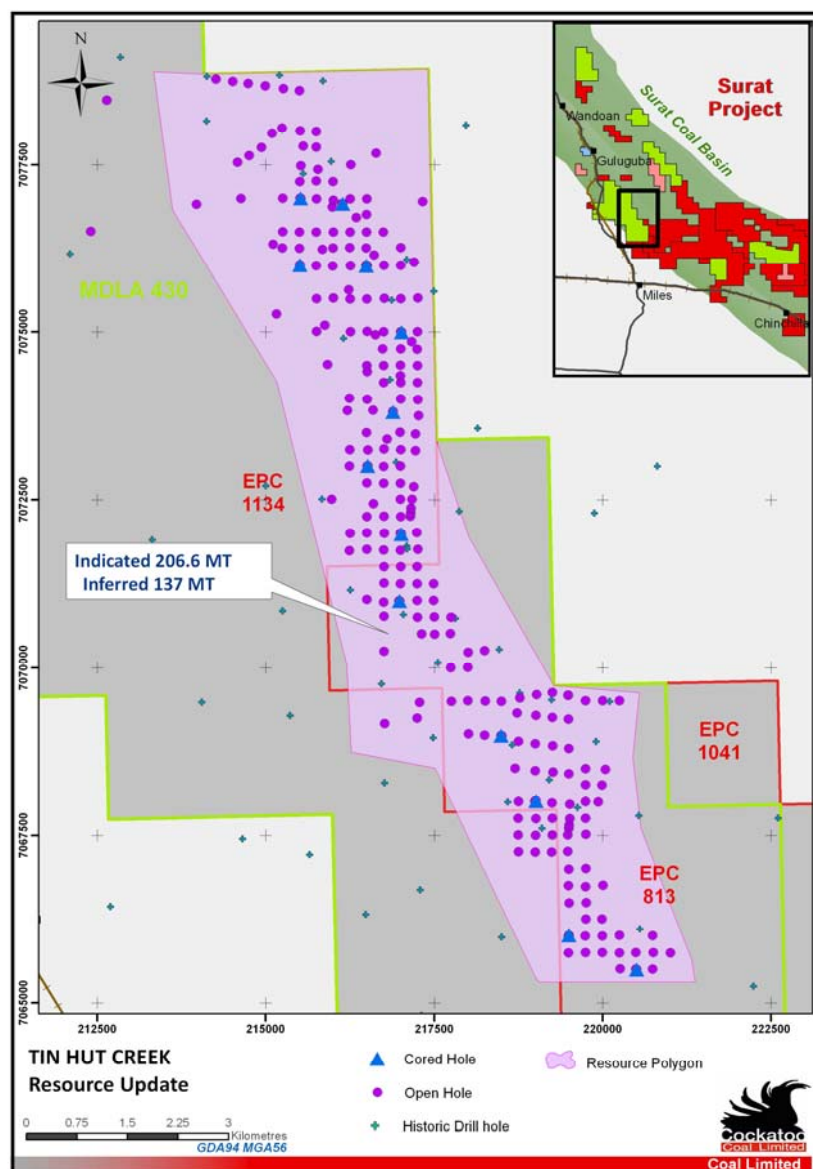


**Surat Basin project areas.**

This JORC compliant resource update provides a substantial interim increase of resource estimate to 343.6 million tonnes, including 206.6 million tonnes of Indicated Resources and 137 million tonnes of Inferred Resources. Inclusion of the lower coal measures of the Iona and Wambo Seams, in addition to the laterally extensive MacAlister Seam, and the upper Kogan Seam, has enlarged the lateral extent of the Resource and contributed to the increased Resource estimate. A total of 247 drill holes, of which 15 were cored, have been included in the geological model. All holes included in the model were geophysically logged.

Current JORC compliant Resources for the Tin Hut Creek project are as follows:

Project	Tenement	Depth of Resource (m)	Category			
			Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Tin Hut Creek	MDLA 430	<150	0	206.6	137	343.6
	<b>Total</b>		<b>0</b>	<b>206.6</b>	<b>137</b>	<b>343.6</b>



**Tin Hut Creek JORC Resource area and project drilling to date.**

The increased JORC compliant Resource further complements the Company's significant Surat Basin coal resource asset base:

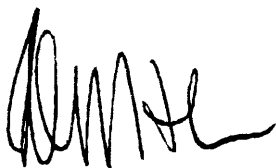
Project	Tenement	Depth of Resource (m)	Category				
			Reserves (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total Resources (Mt)
Tin Hut Creek	MDLA 430	<150	0	0	206.6	137	343.6
Taroom	MDL158 & 275	<150	0	36.4	89.0	73	198.4
Collingwood	MDLA452	<150	0	0	64.5	172	236.5
Woori	MLA50247 & 50248	<110	40.6	84.3	0	0	84.3
Bottle Tree	MDLA433	<125	0	0	29.5	6	35.5
Krugers	MDLA411	<150	0	0	0	105	105
Davies Road	MDLA437	<150	0	0	0	76	76
Kingaroy	EPC882	<150	0	35.5	128.3	115	278.8
Kingaroy	EPC882	150-300	0	35.5	40.9	30	106.4
<b>Total</b>			<b>40.6</b>	<b>191.7</b>	<b>558.8</b>	<b>714</b>	<b>1,464.5</b>

## Statement of Compliance

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Oliver Holm is a full-time employee of the Company who 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'. Oliver Holm has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, contact Mark Lochtenberg or Peter Nightingale on (61-2) 9300 3333.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Nightingale', with a stylized, cursive script.

Peter J. Nightingale  
Director

pjn6027