



robe
AUSTRALIA
LIMITED

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11 October 2011

STRICTLY PRIVATE AND CONFIDENTIAL

The Manager
Company Announcements Office
ASX Limited
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MELBOURNE VIC 3000

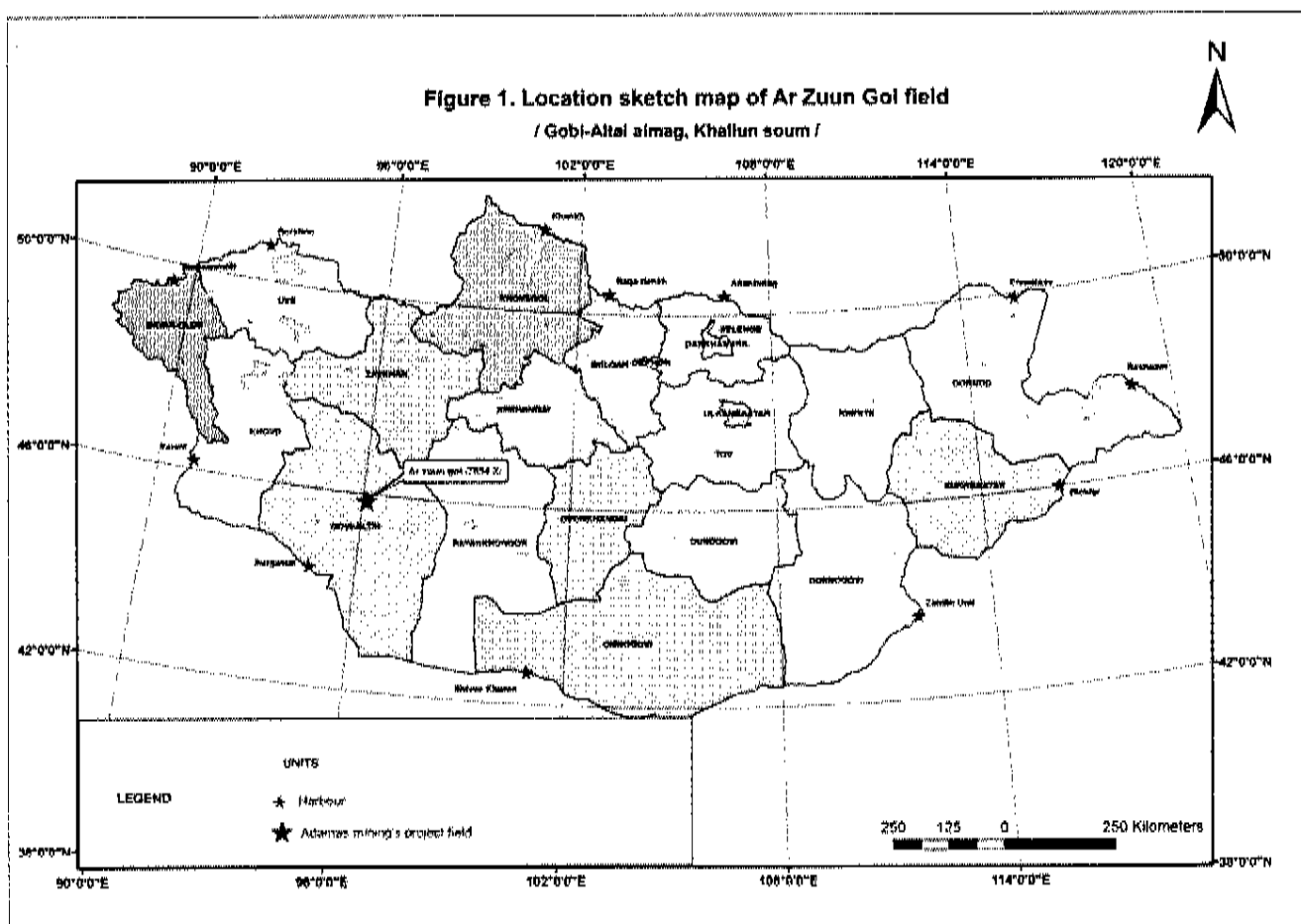
By Fax: 1300 135 638

EXECUTION OF OPTION

The Board of Robe Australia Limited (ASX:ROB) (Robe) is pleased to announce that it has executed an option to acquire a Coal Exploration License in the Gobi-Altai Province (License), South West Mongolia (Option).

The License covers about 3,000 hectares of area known as Tsagaan Gol and falls within the Mongol Altai coal district that bears Upper Permian Carbonification that Robe considers favorable for coal exploration.

The Tsagaan Gol exploration license area is located adjacent to the Ar Zuun Gol coking coal exploration area which is being developed by Hunnu Coal Ltd (ASX:HUN)



The obligations of Robe in respect to the execution of the Option are as follows:

- the Option provides for a 60 day timeframe in which to undertake Due Diligence;
- the initial Option fee is USD100,000 which is non-refundable; and
- subject to due diligence, the exercise fee of the Option is USD400,000 together with the issuance of 100 million Robe shares (equivalent to 17.98% of the issued capital of Robe), subject to ASX listing rules.

Robe has retained geological expertise within Mongolia to assess the prospectivity of the License and identify the most effective and efficient manner in which the License can be developed.

The Board of Robe advises, that if it elects to exercise the Option, certain conditions precedent will be triggered including:

- A review of the Option agreement and requirements pursuant to ASX listing rules including the impact of Chapters 1 and 2 of the ASX listing rules; and
- The need to hold a general meeting of Shareholders to confirm and ratify the Board of Robe's decision in respect to the exercise of the Option.

The proposed acquisition constitutes a change in the nature of the Company's activities and as such it is required, pursuant to Listing Rule 11, that approval is obtained from shareholders at a general meeting and the Company re-comply with Chapters 1 and 2 of the Listing Rules. If the transaction is approved by shareholders, the Company's securities will be suspended from trading following the general meeting until the requirements of Chapters 1 and 2 of the Listing Rules have been satisfied. The notice of meeting that is sent to shareholders will contain further information regarding the acquisition and the change of activities.

The ASX has indicated that all of the shares to be issued to the vendor will be subject to escrow and that any shares issued pursuant to a capital raising which takes place prior to the Company re-complying with Chapters 1 and 2 of the Listing Rules may be subject to escrow.

An indicative timetable in relation to the action target dates is as follows:

Dispatch of Notice of Meeting to approve change of activities and issue of shares to Vendor	7 December 2011
General Meeting of Shareholders	20 January 2012
Suspension of securities	20 January 2012
Lodgment of Prospectus with ASIC	23 January 2012
Closing date under Prospectus	29 February 2012
Anticipated date of lifting of suspension and commencement of trading of securities	12 March 2012

If the Board of Robe elects not to exercise the Option or the Option lapses within the 60 day due diligence time limit, ASX has confirmed that due to the Company not having had sufficient activities since February 2011 trading in the Company's shares will be suspended.

The Board of Robe has continued a process commenced earlier in the year to identify and assess various resource assets. As a consequence of the completion of the recent placement and rights issue in late July 2011, the Board has been in a better position to complete negotiations.

Subject to completion of Due Diligence in respect to the Mongolian Coal asset, if the Board concludes that this is an asset worth pursuing, the Board will advise Shareholders of the need for a further Shareholders meeting to approve the acquisition of the asset.

If the Option is exercised, it is likely that a further capital raising will be required to fund further exploration and development of the coal asset. Robe is in discussions with its corporate advisors in respect to this eventuality.

In addition, Robe is also assessing other resource assets which may also be acquired in due course as Robe begins to develop a portfolio of resource interests. Such strategy will at present be placed on hold, whilst Robe and its advisors assess the prospectivity of the License.

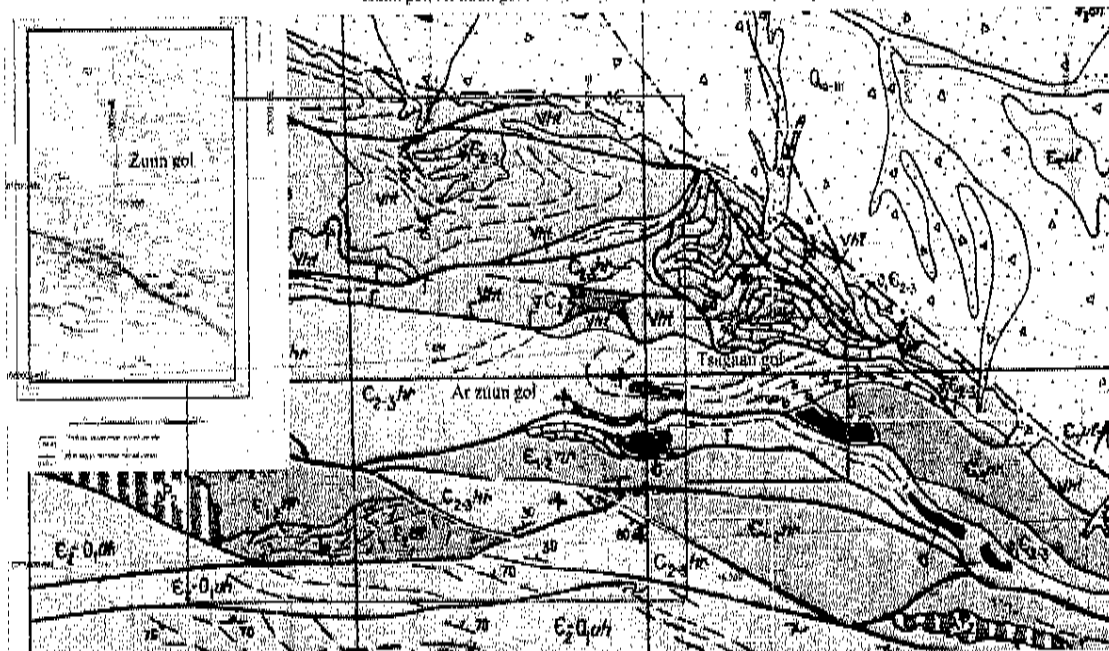
The Board of Robe appreciates the support of their Shareholders to date and looks forward to rewarding their patience.

Yours faithfully

Peter Reilly
Chairman

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Zuun gol, Ar zuun gol, Tsagaan gol exploration license's geological map



Zuun gol, Ar zuun gol , Tsagaan gol location map

