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Australian Expertise → US Coal → Asian Markets

A strong foundation is the key to identifying a business opportunity ...

**Technical Mining
Expertise**

+

**Coal Market
Expertise**

=

**A business
opportunity in Coal**

+

**A Quality Coal
Resource**

County Coal has ...

Technical Mining Expertise:

- Broad open cut and underground coal mining knowledge
- Experienced as both an owner and a contractor
- Strong understanding of the US and Canadian Cultures
- Strong relationships with key US equipment suppliers

Coal Market Expertise:

- In-depth understanding of the Asian Culture
- Deep-rooted long-time relationships in Asia

A Quality Coal Resource:

- 681 million tonnes of JORC resources with more available (the majority of which is "fee coal")
- Multiple seams with one more than 45 metres thick
- Low ash, low sulphur thermal coal
- Access to other thermal coal producers with excess output

Quality infrastructure is a key factor in turning opportunity into reality ...

Availability of
Equipment



Access to
Rail



**A sustainable coal
business with opportunity
for growth**



Access to an
Export Port
Facility

County Coal has ...

Equipment:

- Equipment availability has improved
- County Coal has close relationships with the suppliers
- County Coal can elect to operate as an owner or use a contractor
- Various financing strategies are available for the equipment

Rail:

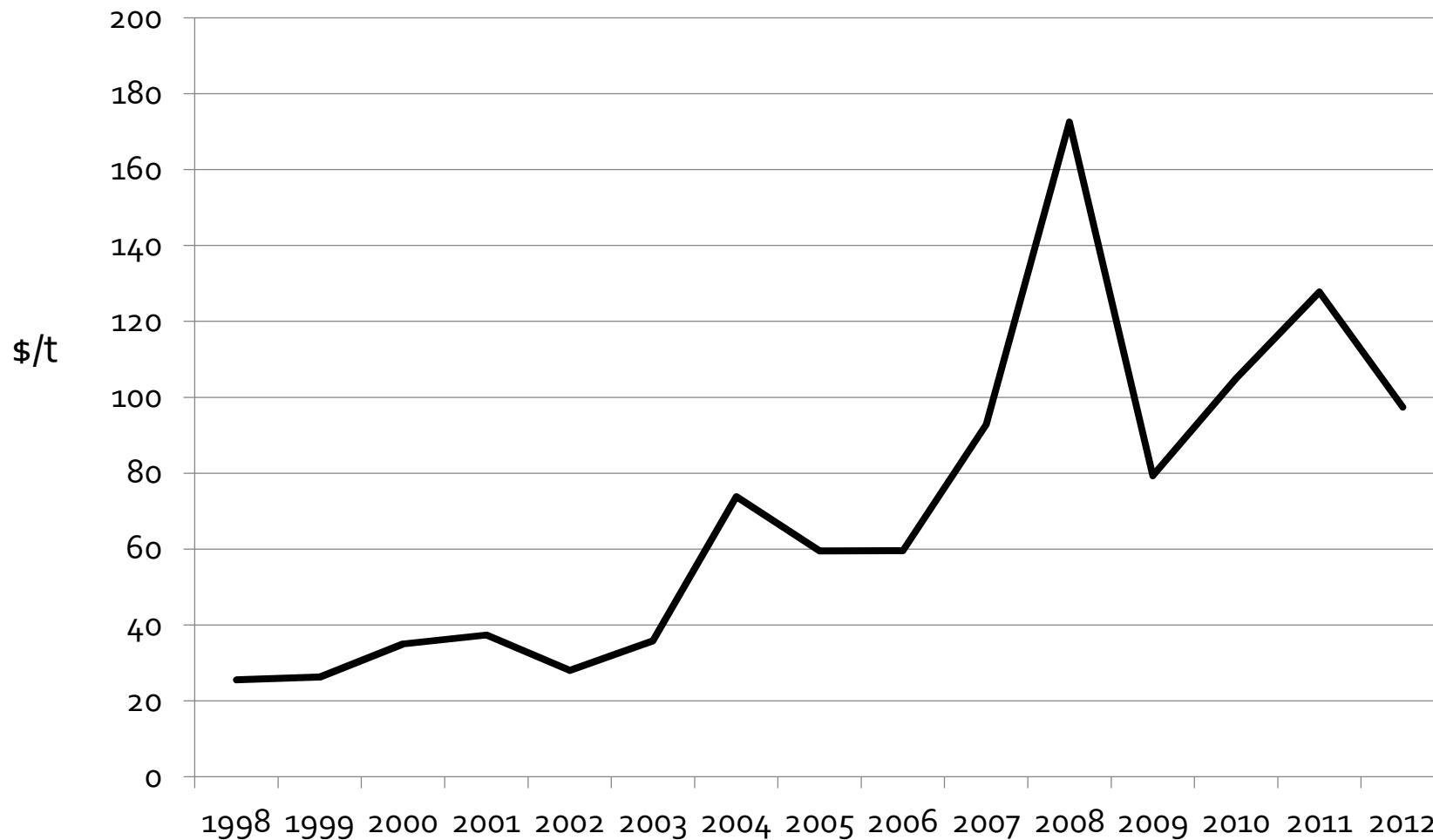
- Rail is available within (approx.) 30 km of County Coal's lease area
- Rail operators have indicated capacity is available

Port:

- Port capacity is currently limited
- A number of existing ports are undertaking/evaluating expansion
- Opportunities exist for new ports
- County Coal is examining all the opportunities

Coal prices have fallen recently but this is a cyclic business ...

McCloskey Asian Steaming Coal Market Price

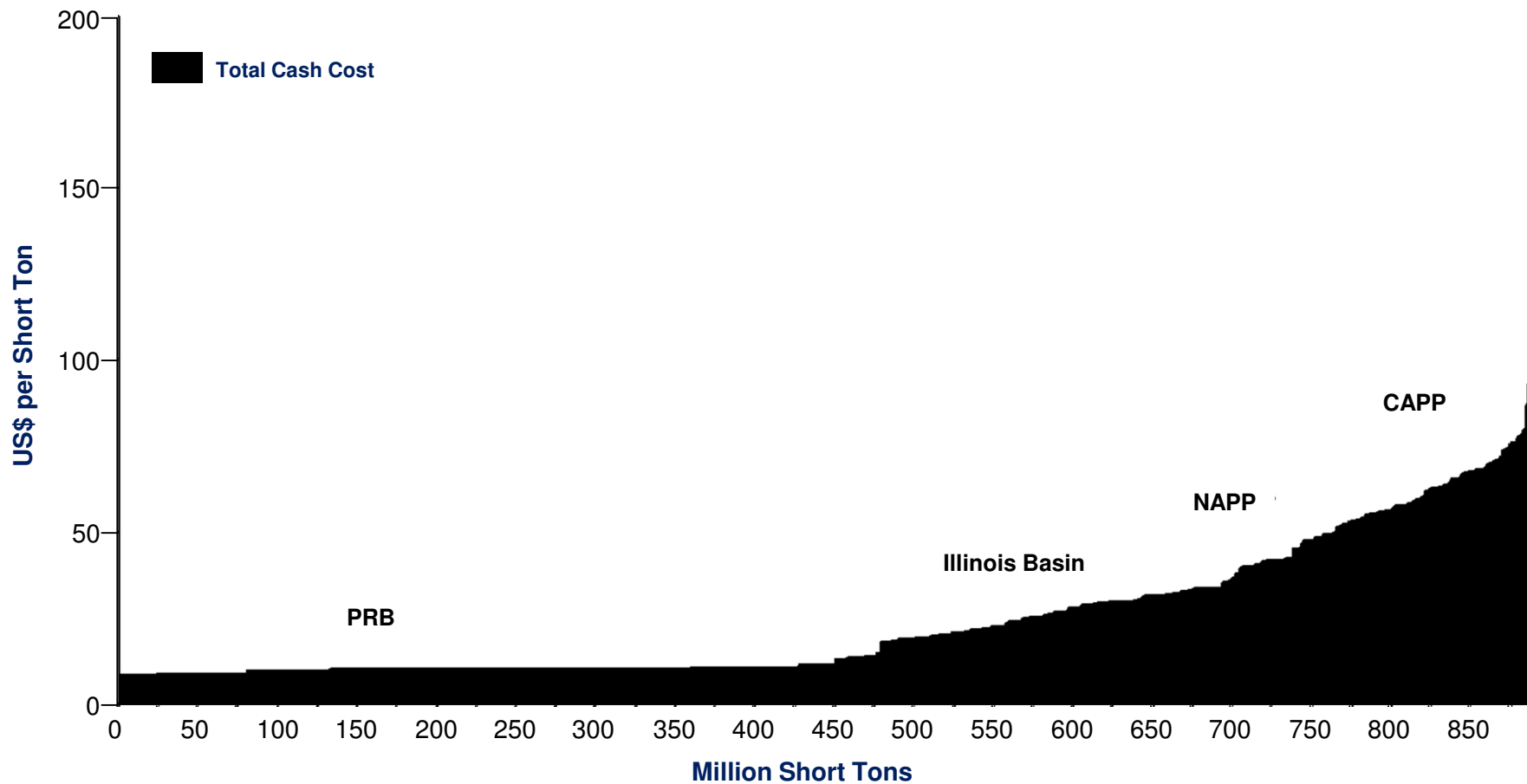


Source : The McCloskey Group

County Coal has coal reserves in a region that is competitive at the bottom of the cycle ...

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US Domestic Thermal Coal Curve



Source: Wood Mackenzie Ltd. Dataset November 2011

The US switch to natural gas could put more coal into the US export market ...

The US export coal market :

- 75% of the coal exported from the US is loaded through east coast ports
- Many US coal companies have never exported to any market
- Many mines likely to be displaced by gas produce coal not suitable to export
- The US producers tend to use Asia as a “swing supply” opportunity
- The California loader debacle is still remembered in Japan

Existing Asian coal suppliers:

- Quality is reducing and cost increasing for Australian and Indonesian coals
- Australian sovereign risk has increased significantly (Carbon & Super Profits Taxes)

Asian coal users:

- Continue to build thermal coal generation capacity
- Looking to secure long-term, reliable thermal coal supply
- Targeting diversification away from Australia and Indonesia

But the switch to natural gas gives County Coal an opportunity as a trader ...

Non-Exporting US producers:

May have export quality but have never exported coal

Have no contacts amongst international coal users

Have no "history" or relationships in Asia

Are up against an already negative attitude held by some Asian countries for US exporters

County Coal:

Can provide the coal exporting experience

Can access its contacts to sell 3rd party coal

Can use its more than 100 years of "history" and relationships in Asia

Can be the protective buffer against the Japanese negativity

Is the world turning away from power generation using thermal coal ? ... NO

The Japanese government has lowered the hurdle for the permitting of new coal fired power plants

India is increasing its thermal coal intake as brown-outs hit the economy

China is continuing the rapid construction of coal fired power plants

County Coal has a solid business strategy ...

Australia Mining expertise and Asian market access

USA Extensive, good quality, low cost Coal Resources to own or trade

USA, Canada, Mexico West coast coal loading ports

The Asian Utility Market