



OVERSEAS & GENERAL LIMITED

ARBN 007 509 319

ASX Announcement

17 May 2011

Acquisition of significant Queensland Coal Assets

Key Points

- Strategic acquisition of ML 4712 and MDL 172 in Queensland.
- Includes the Historical coal producing Ebenezer Coal Mine located in Ipswich, Queensland.
- OGL is set to become an emerging thermal coal producer after the settlement of the acquisition.
- OGL is proceeding to the issue a Public Offer document (Prospectus) to raising capital for the coal asset acquisition and development.

The Directors of Overseas & General Limited (“OGL”) are pleased to announced it has entered into a Head of Agreement - Sales and Purchase Agreement with Zedemar Holdings Pty Ltd (“Zedemar”), to acquire its 100% owned Ebenezer Coal Mine under Mining Lease 4712 (ML 4712) and Bremer View Coal Deposit under Mineral Development Licence 172 (MDL 172) located in south east Queensland near the township of Ipswich.

Project Summary

The two coal tenements are located approximately 50km and 20km south west by road from Brisbane and Ipswich. The two tenements cover just over 98km² areas. The Ebenezer Coal Mine first produced coal in 1988. The mine was closed in January 2003 and sold to Zedemar Holdings in August 2003. During its 14 years of production, more than 20.5Mt of high quality thermal coal was produced for both for the domestic Queensland coal market and the export market.

In 2007 Zedemar commissioned the independent consultant - Runge Limited to produce a mine plan study. The Runge report coal will need to be reviewed and verified by OGL. OGL will inform

contact

Address

Level 6
50 Clarence Street
Sydney NSW 2000

Contact Details

Jack Tan: +61 2 9267 4633

www.oglltd.com

Email: info@oglltd.com

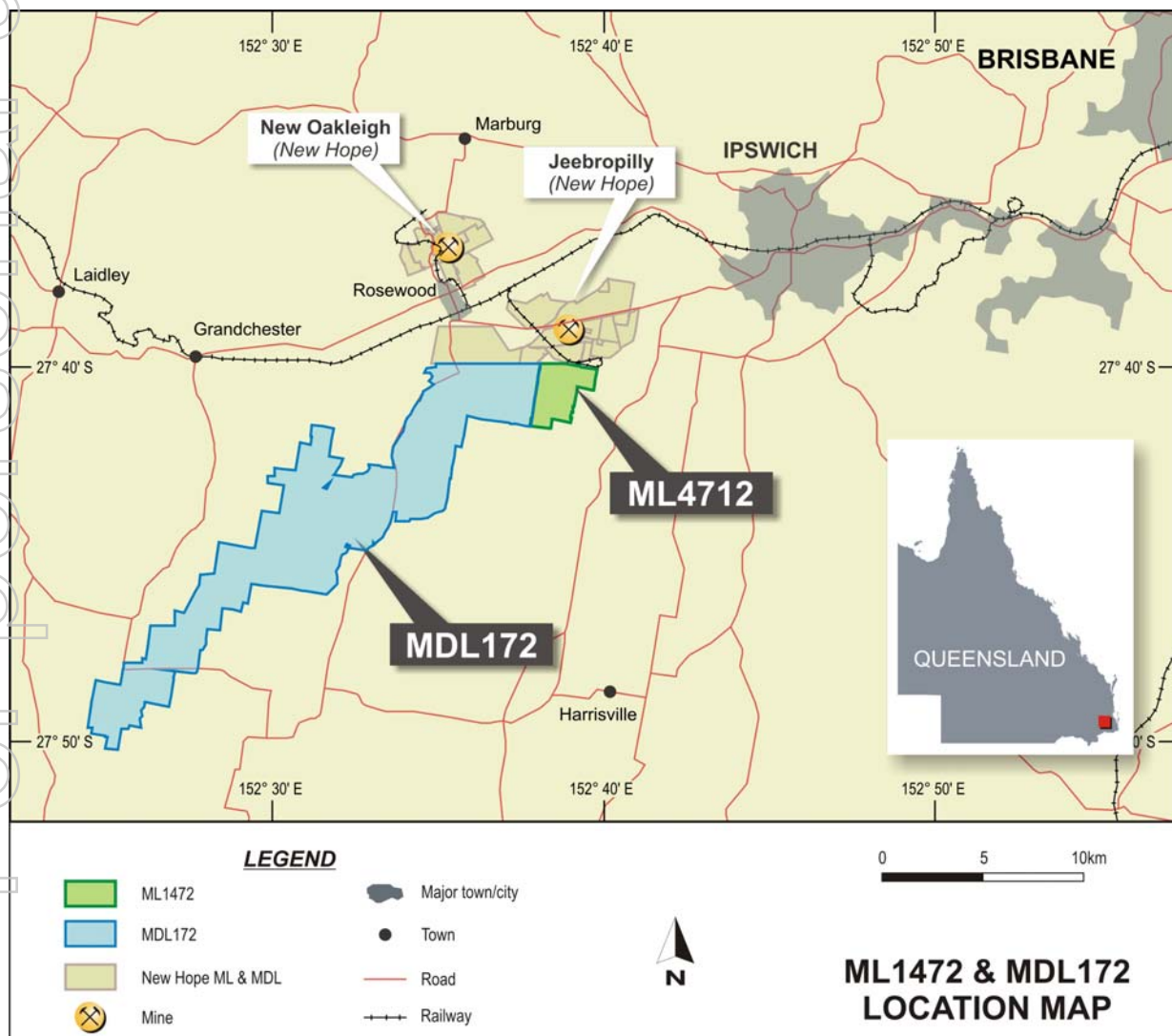


the market of the coal measures when its competent person has been able to review the information and form an opinion.

The coal found on the tenement is under the Walloon Coal Measures of Middle Jurassic Age overlaid by the Marburg Formation in the Clarence-Moreton Basin. Historically, the coal mined was processed and washing through an on-site coal wash plant. The coal quality averaged 13.5% ash, moisture 4.5%, specific energy 6,700kcal/kg, 0.48% S (all air dried basis).

Ebenezer Mining Company Pty Ltd has undertaken a feasibility study on the Bremer View Coal project MDL 712 including a mine design plan and coal resource. This study will need to be independently verified by OGL consultant's during the due diligence period.

The two coal projects are close to an existing railway line and it is approximately 80km by rail to the Port of Brisbane. There are two other operating coal mines in close proximity to the ML 4712 and MDL 172.





OGL intend to fast track of development in ML 4172, subject to renewing of the Mining Lease and go into coal production in early 2013. OGL will commission the production a bankable feasibility study for the development of MDL 172.

Details of the Transaction

OGL and Zedemar signed a Heads of Agreement on 13th May 2011, to acquire 100% of ML 4172 and MDL 172 from Zedemar for the total purchase consideration of A\$45,000,000 in cash (with a deposit of \$50,000 paid) and the issue of 10,000,000 OGL ordinary shares. OGL have until the 13th November 2011 to pay Zedemar the total purchase consideration and the final Sales and Purchase Agreement shall be completed on or before 30th November 2011.

Subject to OGL's successful Public Offer capital raising through issue of a Prospectus, OGL will pay Zedemar A\$25,000,000 and issue of 10,000,000 OGL shares after completion of the capital raising.

The balance of A\$19,950,000 will be paid to Zedemar after the Queensland Minister of Mines and Energy of Department of the Employment, Economics Development and Innovation approves and receives the assignment of ML 4712 and MDL 172.

The settlement of the acquisition is subject to:

- 1) OGL successfully raises capital by Public Offer by issue of a Prospectus to raise A\$60,000,000 in new share capital. The fund raised will be used to pay for the Zedemar acquisition, Public Offer costs, the development and further exploration of ML4712 and MDL 712, with the cash balance being used for the company's working capital needs.
- 2) OGL completing legal and due diligence to verify the Zedemar database by the appointment of an independent geologist consulting.
- 3) OGL seeking shareholders approval for the acquisition under the Zedemar Sales and Purchase Agreement and pursuant to ASX Listing Rule 11.1.3, OGL seeking shareholder approval to change the direction of the business. An Extraordinary General Meeting (EGM) will be called as soon as possible to approve the transaction.



OGI Indonesian Coal Projects Update

Due to the significance of this coal acquisition and the material impact for the Company, the Directors of OGI have decided to freeze further capital injection into OGI's Indonesian 51% owned JV company, PT OGI Indotrade, until the completion the OGI Public Offer.

Robert Lees
Company Secretary

contact

Address

Level 6
50 Clarence Street
Sydney NSW 2000

Contact Details

Jack Tan: +61 2 9267 4633

www.oglltd.com

Email: info@oglltd.com

For personal use only