



OVERSEAS & GENERAL LIMITED
A.R.B.N. 007 509 319

28 May 2010

LODGED ONLINE

Company Announcement Office
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UPDATE ON OGL COAL BUSINESS IN INDONESIA

Resource Definition Drilling Commences at Rahmat

Following OGL's recent public release on securing a Contract to Mine with CV Rahmat Nikmat at Samboja in East Kalimantan, the Company advises resource definition drilling, coring and sampling, and down hole geophysical logging has commenced. Two Jacro 100-type drilling rigs are operating on site with current plans for a 3-week program followed by topographic mapping. The first hole intersected a coal seam with thickness greater than 1.5 metres at a depth of 6 metres below ground surface. Core shows coal to be bright and shiny black in appearance. Core samples are being collected and despatched for analysis with first quality results expected next week.

OGL's objectives are to define a small mineable tonnage of reasonable quality coal and commence initial mining operations as soon as practicable. Immediately following drilling, mining pit design and equipment scheduling will be carried out. As the Rahmat lease is less than 100 hectares, a simple mining and environmental study (UKL/UPL) is required for approval by the district government, unlike the comprehensive AMDAL required for larger leases and approved by the central government. Preparation of the UKL/UPL has commenced. Water and soil samples have been taken for testing, as have joint site visits by the various local government departments to demarcate land ownership and land use boundaries. No impediments to early commencement of operations have been determined to date with mining operations still planned for late July 2010. Providing adequate tonnages of coal of acceptable quality are defined, OGL envisage operations of around 50,000 tonnes

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Australian Registered Office: c/o CoySec Services Pty Ltd, Suite 605, Level 6, 50 Clarence Street Sydney NSW 2000 Australia **Tel.:** +612-9929 9580 **Fax.:** +612-9599 9501

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per month thermal coal production.

Joint Operating Agreement Signed on Pagar Coal Lease in Indonesia

Overseas & General Limited ("OGL") is pleased to announce that, through its majority owned Indonesian joint venture company, PT OGL Indotrade Resources, it has entered into a joint operating agreement with the owners of PT Pagar Benua Borneo covering 10,000 hectares in the West Kutai district of East Kalimantan. The lease is located in an established thermal coal-mining region of Kalimantan. An initial small payment has been made to secure the contract and a royalty will be paid to the owner through the life of the project. No other payments are necessary.

Preliminary reconnaissance by OGL has revealed the presence of some very high energy coal in the lease, some potentially coking coal. OGL has commenced regional exploration with objectives to locate a medium sized, good quality coal resource which can be fast tracked into early production. Several alternative transportation routes are being considered to take the coal to the coast for transshipment. Existing infrastructure in West Kutai is reasonable as the area becomes one of the leading coal mining regions of Indonesia.

About OGL

OGL is a public company listed on both the Australian Stock Exchange (ASX) and on CLOB International, Singapore. OGL has objectives to become a medium sized producer of metallurgical and steaming coal in Australia and Indonesia, taking advantage of the current strength in the commodities markets worldwide. OGL's strategy is to acquire direct interests in coal exploration and mining concessions ranging from greenfield projects to those already in operation.

OGL has formed an alliance with Chinese company Jincheng Zhongjia Coal Industrial Co. Ltd which is a major shareholder of Qinhe Energy Group Co. Ltd. Qinhe Energy currently produces close to 7mtpa of coal in China and a new mine is under development which will produce 8mtpa.

In Indonesia, OGL has entered into a joint venture arrangement with Malaysian owned group, Golden Focus Group Limited (Hong Kong) and their Indonesian entity, PT Indotrade Resources. Indotrade Resources is a successful coal miner in Indonesia currently producing around 2mtpa of export grade steaming coal from East Kalimantan to China and Korea.

For additional information on this project and OGL please contact:

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Competent Persons

The information in this report that relates to coal exploration results is based on information compiled by David Mason, who is a Fellow of the Australasian Institute of Mining and Metallurgy and has Chartered Practising Status (Management). David Mason is the Managing Director of Overseas & General Limited. David Mason has sufficient experience, which is relevant to the type of resource under consideration and the activities being undertaken, 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'. David Mason consents to the inclusion in the report of this information in the form and context in which it appears.

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By Order of the Board



Robert Lees
Company Secretary

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