



COMPANY ANNOUNCEMENT

Coal exploration permit granted and target of up to 155 million tonnes identified

Highlights

- **EPC 1992 (“the Etona Coal Project”) has now been granted**
- **Independent Geological sign-off for Exploration Target range of 50-155 million tonnes**
- **Historical petroleum wells/water bores drilled suggest potential for large net volumes of thermal coal as several coal-bearing formations were identified**
- **Initial exploration programs have been designed with the intention to enable further confidence potentially leading to an increased Conceptual Exploration Target range**
- **MPJ will continue to seek further opportunities**

09 May 2012

Mining Projects Group Limited (ASX : MPJ) (“the Company” or “MPJ”) announces it has received confirmation that exploration for coal permit (“EPC”) 1992 has been granted, now referred to as the Etona Coal Project (“Etona”). In addition an independent geological report assessing the prospectivity of the permit has established an exploration target range of between 50 and 155 million tonnes. It should be noted that the tonnages quoted are conceptual in nature and there has been insufficient exploration to define a coal resource. It is uncertain whether further exploration may lead to the reporting of a JORC-standard resource. However there is evidence to support the current conceptual exploration target and sufficient coal thicknesses have been interpreted from historic drilling to warrant further investigation in the project area.

The Etona Coal Project sits adjacent to Coalbank Limited’s Limited (ASX:CBQ) Tambo Coal Project. MPJ was attracted to this exploration permit due to the size of the permit (300 sub-blocks), no impact from strategic cropping or native title, the possibility of shallow coals within the Orallo formation mined at the historical Maranoa Colliery and the exploration success of Coalbank providing the possibility of down-dip extensions within the Etona Project area.

The Etona Coal Project is continuous and covers 300 sub-blocks totalling an area of 947km². The project area is located 78km north-east of Charleville in central-west Queensland. The railway line runs from Charleville approximately 70km south to Roma, and then 550km east to the Barney Point Coal Terminal in Gladstone. Whilst the existing railway line is not coal wagon-rated, the relative proximity to road and rail infrastructure may potentially provide access to the proposed tenure area, and could ultimately facilitate the delivery of coal to the local port.

The geology of the project area includes sedimentary rocks from the Cretaceous to Jurassic Eromanga Basin, and at much deeper depths, the Mid-Triassic to Late Carboniferous Bowen Basin, which are both known to contain thermal coals suitable for use in domestic or international coal markets.

The independent report identifies that Etona is located approximately 12 km east of Augathella and that this project would represent a new, previously unexplored, coal province within the Eromanga Basin. The report cites inferences from petroleum wells and water bores previously drilled in the area to suggest the potential for large net volumes of thermal coal within the application area as several coal-bearing formations were identified which has led to the definition of an exploration target. The main exploration targets are the Cretaceous Orallo Formation, the Coreena Member of the Wallumbilla Formation, the Late Jurassic Westbourne Formation, and the Middle Jurassic Birkhead Formation (See table 1).

Coal from the Orallo Formation has previously been mined south of Injune at the Maranoa Colliery. Detailed analysis of the water bore data has identified coal seams 0.3 to 3.5m at three depth bands within the tenure (at 25m, 130m and 550m). The thicker coals at 550m are most likely to represent down-dip extensions to shallower target coal seams (Walloon Coal Measure equivalents) in the adjacent Coalbank's Tambo project tenures.

On completion of the fundraising which the Company is seeking approval for at the general meeting on 10 May 2012, it will look to expedite initial steps in the exploration process including a further desktop study, interpretation of aerial and sensing images as well as a 2D seismic survey to further understand the prospectivity of this lease and finalise the initial drill program. This initial drill program will be designed by the independent geologist which may potentially provide an increase in the level of confidence in the identified coal formations providing for an increase in the Conceptual Exploration Target range as well as providing the basis for developing a JORC statement.

MPJ entered into to an agreement to acquire EPC 1992, subject to its granting, from New Coal Energy Pty Ltd ("NCE"). 2,500,000 ordinary shares have been issued at 2 cents to Subiaco Capital Pty Ltd who introduced the opportunity to MPJ.

Recently MPJ also announced its intention to acquire Delcarmen Energy Limited which possesses two exploration applications near Kingaroy which both demonstrate potential high energy thermal coal and semi-soft coking coal. The Company is also seeking shareholder approvals in relation to this acquisition at the general meeting.

The Company will continue to seek further opportunities to develop a prospective portfolio of coal projects within Queensland.

For And On Behalf Of The Board



Bryan Frost
Chairman

Table 1 –EPC 1992 Exploration Target Range Estimates as at 16th April 2012

Mask Area	Formation	Range Depth to top of seams (m) Lower	Range Depth to top of seams (m) Upper	Area (km ²)	Average Cumulative Thickness (m)	Gross Tonnage (Mt) 1	Expected Raw Calorific Value (% Kcal/kg adb) Lower Bound	Expected Raw Calorific Value (Kcal/kg adb) Upper Bound	Unexpected Geological Loss (%) 2	Exploration Target(Mt) ³ Lower Bound	Exploration Target(Mt) Upper Bound
1	Orallo Formation	35	200	8.5	2.0	25.5	4650	4950	25	5	25
2	Coreena Member	20	150	32.5	1.5	73.1	4900	5200	25	30	70
3	Westbourne Formation	250	350	9.5	2.5	33.2	5200	5700	20	15	35
4	Birkhead Formation	350	450	8.0	2.0	22.4	5300	5750	20	5	25
										55	155

1 The Orallo Formation and Coreena Member coals have been given an average density of 1.5 g/cc and the Westbourne and Birkhead Formations have been given an average density of 1.4 g/cc; total in situ tonnes with no constraints.

2 Unexpected geological loss mainly due to seam splitting and thinning over large distances between boreholes.

3 It should be noted that the tonnages quoted above are conceptual in nature and there has been insufficient exploration to define a coal resource. No coal quality data within the project area was uncovered in previous reports. Although a preliminary analysis was undertaken, insufficient data exists to confidently correlate coal seams and generate a grid mesh model. It is uncertain whether further exploration may lead to the reporting of a JORC-standard resource however there is some evidence to support the current exploration tonnage calculations, and the sufficient coal thicknesses interpreted from historic drilling to warrant further investigation in some areas.

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Biggs of Moultrie Database and Modelling Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mark Biggs 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 Resource and Ore Reserves'. Mr Mark Biggs consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

