



ASF GROUP LIMITED

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The Manager
Company Announcements
Australian Stock Exchange Ltd
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Madam/Sir

China Coal Geology Invests with ASF

Further to the announcement of ASF Group Limited ("ASF") dated 5 May 2010 concerning the signing of a co-operative agreement with China Coal Geology Engineering Corporation ("China Coal Geology"), a large state owned geology exploration, mining resources investment and development company, ASF is pleased to announce that it has entered into a New Share Subscription Agreement (the "Agreement") with China Coal Geology. Pursuant to the Agreement, China Coal Geology will subscribe for 550,000 new shares representing 55% interest in China Coal Resources Pty Ltd ("CCR") for a subscription amount of A\$1,600,000.

CCR is currently a wholly owned subsidiary of ASF and now holds two tenements in Tasmania, EL15/2007 and EL55/2007, which are believed to be prospective for base metals and gold. Upon completion of the Agreement, China Coal Geology and ASF will respectively hold 55% and 45% interest in CCR. Funds received from China Coal Geology will be used as working capital by CCR for the exploration work on the tenements.

In accordance with the guidelines of Foreign Investment Review Board (FIRB), the Agreement is conditional upon the granting of investment approval to China Coal Geology by the FIRB.

Ms Min Yang, Chairman of ASF, said *"ASF is delighted to join with China Coal Geology as its partner in further exploring these Tasmanian mineral tenements and looks forward to working successfully with China Coal Geology to undertake the exploration work."*

For further information please contact Justin Clarke, Development and Operations Director (Ph: 612 9251 9088).

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