



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

ASF obtains A\$1.6M from China Coal Geology for its Tasmanian mining exploration venture

ASF Group Limited ("ASF") is pleased to announce that China Coal Geology Engineering Corporation ("China Coal Geology") has now invested \$1,600,000 in ASF's wholly-owned subsidiary China Coal Resources Pty Ltd ("CCR") and, as a consequence, now owns 55% of CCR.

ASF established CCR in early 2011 to hold two of its Tasmanian mineral exploration licences, EL15/2007 and EL55/2007. Due to China Coal Geology's strong skills in mineral exploration, ASF invited China Coal Geology to become an active investor and exploration partner in CCR and a Co-operative Agreement was signed between them in December 2010.

Seven members of China Coal Geology's staff have now been on site at CCR's Tasmanian tenements completing field work that, with investment funds now subscribed, will shortly lead to the commencement of an active exploration program.

China Coal Geology was established in 1994 and is a state-owned entity headquartered in Beijing, Peoples Republic of China. The sole shareholder of China Coal Geology is China National Administration of Coal Geology, the authority for coal and chemical resources exploration and for coal and chemical geology enterprises. China Coal Geology's operations in China and overseas include coal, metal and other resources exploration, mineral resources investment and exploration, mine emergency rescue and geological hazard control, geological engineering supervision and consultation, energy saving and environmental protection, and coal transportation and marketing.

Ms Min Yang, Chairman of ASF, said

"with China Coal Geology's strong technical and financial background, ASF sees this commercially active partnership as further validation of new business model of identifying and securing prospective early-stage Australian resource exploration tenements to which significant value can be added by ASF's ability to deliver expertise, finance and end-buyers from among its wide array of strong partners and associates in China. The transaction of CCR is an evidence of the success of this new business model."

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

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