



ASF GROUP LIMITED

ACN 008 924 570

Bennelong, 2/3B Macquarie Street
Sydney NSW 2000

Telephone: (61 2) 9251 9088

Facsimile: (61 2) 9251 9066

www.asfgroupltd.com

11 July 2012

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

Dear Madam/Sir

CHINA COAL GEOLOGY INCREASES STAKE IN JV WITH ASF

As announced by ASF Group Limited ("ASF") on 27 June 2011, China Coal Geology Engineering Corporation ("CCGEC") invested \$1.6 million for 55% interest in China Coal Resources Pty Ltd ("CCR"), a then wholly owned subsidiary of ASF.

ASF is now pleased to announce that CCGEC has increased its stakes in CCR by subscribing 800,000 new ordinary shares representing 20% of the enlarged issued capital of CCR for \$600,000 and, as a consequence, CCGEC is now holding 75% interest in CCR.

Information about CCR

ASF established CCR in early 2011 to hold two of its Tasmanian mineral exploration licences, EL15/2007 and EL55/2007. CCR has conducted field work in the Wilmot and Lake Pieman areas including geological reconnaissance, soil sampling and drainage geochemical surveys. CCR also has submitted applications for tenements in the Queensland Bowen Basin which we hope will be approved later this year.

Information about CCGEC

CCGEC was established in 1994 and is a state-owned entity headquartered in Beijing, Peoples Republic of China. The sole shareholder of CCGEC is China National Administration of Coal Geology, the authority for coal and chemical resources exploration and for coal and chemical geology enterprises. CCGEC'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.

Information about ASF

ASF is an ASX listed company acting as a creator and facilitator of two-way cross-border investments between China and Australia. Since its transformation in 2006, ASF has developed a successful track record of initiating, facilitating and participating in strategic investments between China and Australia, particularly in the resources, commodities, and real estate sectors.

William Kuan
Company Secretary
Ph: +612 9251 9088
Fax: +612 9251 9066
www.asfgroupltd.com