

15th October, 2007

The Companies Officer
Australian Stock Exchange
Exchange Plaza
The Esplanade
Perth
WA 6000

**Progress Report: The Landas Paeu Coal Project
Commencement of Legal and Geological Due Diligence**

Coziron Resource is moving ahead to exercise legal and geological due diligence on its Landas Paeu Coal Project.

Legal Due Diligence:

Coziron Resource is engaging a legal firm in Jakarta:
Ali Budiardjo, Nugroho, Reksodiputro, Graha Niaga
24th floor, Jalan Jend. Sudirman Kav. 58, Jakarta 12190
to investigate:

- 1) The legal standing and security of tenure of the Landas Paeu KP
- 2) The rights, commitments, obligations and liabilities under the coal tenement
- 3) Any third party agreements
- 4) The potential impact of environmental and planning laws on mining exploitation.
- 5) Other relevant information.

Geological Due Diligence:

The program will commence this week immediately after the Ramadan holiday period. The company's senior geologist will supervise and monitor the progress on site. Geological due diligence is expected to take 6 months commencing October 2007.

The Proposed Exploration Program is:

1. To compile historical data and create a database/GIS for the project.
2. To conduct site reconnaissance:
 - ◆ Field checking of existing mapping, outcrop, historical drill-sites.
 - ◆ Check infrastructure, access, accommodation, availability of local labour.
 - ◆ Check KP status.
 - ◆ Determine site for benchmarks, reference points for future surveys, check pre-

existing survey stations.

3. Topographic Survey:

To conduct a detailed topography survey either by a ground survey or by photogrammetry of air-photo or Ikonos satellite imagery. The purpose of the survey is to give an accurate Digital Elevation Model and base map over the coal seams, to assist in geological mapping, planning drilling programs and future resource estimations.

4. Geological Mapping:

Geological Mapping will focus on coal seam outcrop and structure. Channel sampling of coal seams will be conducted where warranted. The objective is to obtain a good understanding of the nature, distribution and structure of the coal seams so that systematic drilling can be targeted at the most prospective areas within the tenement, and so that geological continuity of the seams can be confirmed.

5. Initial reconnaissance and confirmatory drilling:

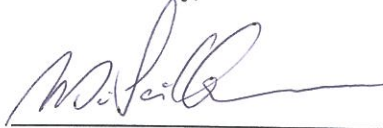
Initial drilling will be targeting the areas determined from the above as having the best potential and to confirm/infill some of the historical drill intercepts. Approximately 1800 m of diamond drilling using a Jacro-type man portable drill are planned. About 500m of this drilling will take place as part of the geological due diligence. The drilling will be done on a systematic grid that could later be filled in with follow-up resource definition drilling. Less expensive forms of drilling will be considered, subject to availability and access requirements.

The aim of this drilling will be to obtain sufficient data for a JORC-compliant inferred resource estimate to provide a basis for Coziron Resources management to decide whether to go ahead with a substantial financial commitment to develop the project.

6. Infill drilling and feasibility studies

Should the above programs be successful, exploration-resource definition infill drilling will be carried out to define the coal resources for mine planning purposes. Studies will be carried out to determine the optimum development method for any potential economic resource at the Landas Paeu Coal Project. This will include studies into the metallurgical characteristics of the coal resources, transport corridors, mining methods and product marketing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sai Kwok Miu", written over a horizontal line.

Sai Kwok Miu

Director

Coziron Resources