ABN 66 009 144 503

311-313 Hay Street Subiaco
PO Box 8282 Subiaco East
Western Australia 6008

www.victorywest.com.au

T: +61 (0) 8 9381 5819
F: +61 (0) 8 9388 3701

ASX ANNOUNCEMENT
23 April 2012

UPDATE REGARDING SOUTH EAST ASIA RESOURCES COAL PROJECTS

Victory West Metals Limited (ASX: VWM, FSE: R1E) ("**VWM**") has identified an opportunity to expand its portfolio of world class resource projects through the signing of a Heads of Agreement to acquire 100% of South East Asia Energy Resources Pte Ltd ("**SEAE**"). Please refer to the Company's previous announcements for further details regarding this transaction.

By way of update, VWM is pleased to attach the following information received from SEAE regarding its recent activities.

The proposed acquisition of SEAE is subject to specified conditions including legal and technical due diligence, shareholder approval and Australian regulatory approvals as required which are currently ongoing.

For further information on VWM, please visit www.victorywest.com.au

END

About Victory West

Victory West Metals Ltd is a resource focused exploration company listed on the Australian Securities Exchange (ASX code: VWM) and Frankfurt Stock Exchange (FSE code: R1E), with a vision to find, prove and extract value from world class resource projects in South East Asia. The Company is building a resource portfolio with its cornerstone project Malala Molybdenum Project in the Toli Toli Province in North Sulawesi.

The Company has announced the signing of a Heads of Agreement to acquire 100% of South East Asia Energy Resources Pte Ltd (SEAE), a special purpose company registered in Singapore that has the rights to an 85% interest in the Penajam East coal project in East Kalimantan, Indonesia, with a pipeline of coal projects in Sumatra and East Kalimantan and initial offtake agreements. This agreement is subject to due diligence, completion of final legal agreements, shareholder approval and regulatory approvals if required.

For further information on VWM, please visit victorywest.com.au

SEAE RECEIVES SUPPORT TO DEVELOP MAJOR INFRASTRUCTURE AND COAL MINES IN SOUTH SUMATRA, INDONESIA

South East Asia Energy Resources Pte Ltd (SEAE) has received a signed letter of intentional support to provide; **“exclusive permit to develop and invest in Muara Enim Regency”** from the Regents Bupati of Muara Enim, South Sumatra, Indonesia subject to general commercial conditions.

This is a result of in depth discussions and requests by the Regents PERUSDA to developed Muara Enim’s vast resource and infrastructure potential with SEAE.

This support is expected to lead to the completion of a pre-arranged 90%:10% Joint Venture arrangement between SEAE and the Muara Enim PERUSDA, respectively, to develop the Muara Enim Project. Binding final agreements are being prepared by the companies Lawyers and are expected to include standard commercial terms and conditions. Further announcements will be made once formal binding agreements have been completed.

The Muara Enim project comprises of the development of a 20 million ton per annum capacity international coal port, a major regional haul road network and development of a minimum of four thermal coal concessions.

Under the proposed Joint Venture arrangement, the PERUSDA will be responsible for securing and managing all permits, licenses, and legal documents as well as arranging support from the Mining Department, the Transport Department and the Bina Marga for construction approvals. Whereas, SEAE, utilising the services of United Mining Australia and Indonesian expertise, will be responsible for the investment, planning, design, financing, construction, operation and management of the proposed Muara Enim Project hauling road, port, jetty and coal processing plant.

PERUSDA is privatised local government company that is self funded. The Muara Enim PERUSDA has entered into eight successful Joint Venture partnerships over the past 10 years, including seven coal and gas projects which are in full production.

SEAE expects to begin a detailed feasibility study on the port, haul road and coal concessions within the 2nd quarter of 2012. It is expected that the feasibility study will take between 6 to 9 months to complete at an estimated cost of $1.5M utilising Australian, Indonesian and international expert consultants.

Subject to satisfactory results, SEAE plans to develop an extensive haul road network to service the Muara Enim region and develop a world class coal port facility to handle initially 20MT per annum as well as a coal processing plant. SEAE also plan to secure and develop a minimum of four coal concessions within the region.

The Muara Enim – Lahat coal region is reported to contain more than 13.56 billion tonnes of undeveloped thermal coal held in more than 60 coal concessions. Muara Enim regency is located within the resource rich area of South Sumatra, Indonesia which contains in addition to large reserves of coal, undeveloped CBM, oil, gas and copper.

Presently, there are only 14 active coal concessions in the Muara Enim – Lahat region due to a lack of transport infrastructure. The above arrangement is a major step forward for the local government to open up the region for larger scale and wider regional resource production.

ASX Listed Victory West Metals (ASX:VWM) have signed a Heads of Agreement to acquire 100% of South East Asia Energy Resources Pte Ltd. South East Asia Energy Resources Pte Ltd is part of the United Mining Group.

Any enquiries regarding SEAE Resources should be directed to Robert Wall: **robert@seasiaresources.com**