
ANNOUNCEMENT TO THE ASX

Consolidation of Oil Shale Assets — 22 June 2011

Greenvale Mining N.L. (ASX: GRV and GRVCA) is pleased to announce that it has entered into a Heads of Agreement with its joint venture partner in its oil shale projects, Esperance Minerals Limited (ASX : **ESM**), to consolidate the ownership of their jointly owned oil shale projects into GRV.

Under the Heads of Agreement ESM will sell its interests in the oil shale projects to GRV in return for up to approximately 28 million GRV shares. This and ESM's existing holding of 3.6M GRV shares, will be distributed in specie to ESM shareholders by way of a capital return.

The transaction is partially subject to the pre-emptive rights of joint venture partner Queensland Energy Resources (**QER**) the operator of the Lowmead and Nagoorin joint ventures. QER holds a preemptive right over its proportional interest in the projects being consolidated in GRV which it must exercise within 30 days of being notified of the proposed transfer by ESM.

A more detailed breakdown of the transaction, which will be subject to approval by both ESM and GRV shareholders, is given over the page. The Heads of Agreement contemplates the transaction being completed by 30 September 2011 and the Company is in the process of preparing a Notice of General Meeting of Members to be despatched to shareholders in due course. Further details of the transaction, including the proposed timetable, will be outlined in that Notice of Meeting.

In commenting on the transaction Mr Leo Khouri, the Chairman of Greenvale Mining NL said:
"We see the transaction as in the best interests of both sets of shareholders. The transaction simplifies the ownership structure of the projects and removes the need for a second set of overheads.

GRV will move to clear majority owner of this strategic asset and will concentrate on advancing the project.

ESM shareholders will maintain the same exposure to the project via a new direct shareholding in GRV and I welcome them on board as a shareholder in GRV.

Detailed Transaction Description

Esperance Minerals Limited (**ESM**), Greenvale Mining NL (**GRV**) and Queensland Energy Resources (**QER**) currently hold participating interests in the Lowmead Joint Venture, Nagoorin Joint Venture and Alpha Joint Venture as set out in the table below.

Table 1 – Oil Shale Projects Participating Interests

Tenement	CURRENT		
	Joint Venture Participating Interest		
	ESM	GRV	QER
Lowmead (MDL 188)	50%	25%	25%
Nagoorin (MDL 234) – in application (EPM 7721)	25%	50%	25%
Alpha (MDL 330)*	50%	50%	0%

**The interest in the Alpha joint venture is held by a joint venture company, Alpha Resources Pty Ltd.*

On 20 June 2011 the Company signed a conditional heads of agreement with ESM (**Heads of Agreement**) whereby the Company has agreed to acquire from ESM:

- a) its participating interest in each of the Lowmead and Nagoorin Joint Ventures and;
- b) the 19,999 shares ESM holds in Alpha Resources Pty Ltd, the holder of MDL 330, (together, the **Assets**).

The consideration under the Heads of Agreement will be a minimum of 17,491,764 fully paid ordinary shares in GRV and a maximum of 28,092,588 fully paid ordinary shares in GRV (**GRV Shares**). The disposal of interests in the Nagoorin and Lowmead joint ventures is subject to pro-rata pre-emptive rights in favour of the remaining parties.

Therefore the final consideration payable by GRV will be dependent on whether QER, as the remaining joint venture party, elects to exercise any of its pre-emptive rights under the Lowmead and Nagoorin joint venture agreements. As at the date of this announcement QER has not indicated its intention in this regard.

The Heads of Agreement is subject to satisfaction of the following conditions precedent:

- a) the shareholders of ESM passing all resolutions as are required under the ASX Listing Rules and the Corporations Act to give effect to the transaction the subject of the Heads of Agreement;
- b) the shareholders of GRV passing all resolutions as are required under the ASX Listing Rules and the Corporations Act to give effect to the transaction the subject of the Heads of Agreement;
- c) all consents and approvals required under the Mineral Resources Act 1989 (Qld) being obtained; and
- d) all third party consents and waivers required to give effect to the transaction being obtained, including, if relevant, a waiver of any right of first refusal or agreement to exercise any pre-emptive right of QER in respect of the Lowmead Joint Venture and Nagoorin Joint Venture.

For further information please contact

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