

ASX RELEASE

JAMESON RESOURCES LTD

79 Hay Street, Subiaco 6008
Western Australia
Phone +61 8 9200 4473
Fax +61 8 9200 4463

CONTACT:

JOHN HOLMES

Executive Director
john.holmes@jamesonresources.com.au

DAVID PRENTICE

Non Executive Director
david.prentice@jamesonresources.com.au

WEBSITE

www.jamesonresources.com.au

DIRECTORS:

Jeff Bennett (Non Exec. Chairman)
John Holmes (Executive Director)
David Prentice (Non Exec. Director)
Stephen Anastos (Non Exec. Director)

ASX CODE:

JAL (Fully paid Ordinary Shares)

BASIN PROJECT VIDEO

Can be viewed at

www.jamesonresources.com.au

RECOMMISSIONING STUDY COMMENCES

Highlights

- A leading consulting group, Norwest Corporation (“Norwest”), has commenced the recommissioning study on the Basin Coal Mine.
- Capital raising of \$1.25M completed.
- Potential coal production within 12 months (all approvals are in place to restart mining and processing operations).
- Basin Coal Mine has a current resource base of 19 million tonnes of raw thermal coal (seam thickness averaging 17 metres) with significant exploration upside.
- Export quality bituminous thermal coal with specifications after washing including a calorific value of 6,080 kcal/kg (a.d.b.), 12% ash and 0.5% sulphur.
- Preliminary estimates indicate Basin’s operating costs to be approximately US\$50 per tonne (FOB).
- Several existing coal transportation options under review by Norwest with capacity available at ports.
- Interest expressed from potential domestic and overseas off-take partners.



Figure 1 – Basin Wash Plant Facility

Summary

The Board of Jameson Resources Limited ("Jameson" or the "Company") is pleased to announce that it has appointed Norwest Corporation, a leading international consulting group with an office in Vancouver, to undertake a recommissioning study on the Basin Coal Mine. Norwest have completed numerous feasibility studies on coal projects throughout Western Canada.

The objective of the study will be to develop a project implementation schedule to recommission the project as a low cost open pit coal mine under the existing 250,000 tpa mining permit. Pending successful outcome of the study, production could commence within 12 months. Preliminary scoping studies and environmental assessment will also be undertaken to assess the viability of an expanded production scenario of over 1m tonnes per annum.

The Basin Coal Mine has an existing NI43-101 resource of 19 million tonnes of raw thermal coal (See Table 1). The resource is confined to the 17 metre (average) main seam (over 5 times the Australian coal seam average) extending over a 1.5km strike length. The study will incorporate a review of the proposal to upgrade the existing resource via the inclusion of a second coal seam (7 metres thick) which lies in the existing pit design beneath the main coal seam. Significant exploration upside remains both along strike and down dip.

Table 1 - NI43-101 Compliant Resource Table	
Category	In-Situ Tonnes
Measured (Surface Mineable)	18,100,000
Indicated (Surface Mineable)	900,000
Measured and Indicated Resource	19,000,000

Because of the current condition of the existing 250,000 tpa coal processing plant, minimal capital expenditure is anticipated in bringing the plant back into production. The recommissioning study will assess the options for the 1Mtpa expansion case, including capital requirements to upgrade the existing wash plant as well as assess capital requirements for a new modular wash plant facility.

Previous operators Compliance Energy Corporation consistently produced clean coal with specifications, after washing, of: calorific value of 6,080 kcal/kg, 12-16% ash, total moisture content of 10% and 0.5% sulphur. Additional coal quality and specification test work will be undertaken as part of the recommissioning study.

Basin is the closest mainland coal project to the Western Canadian ports and has good rail and road access with significant available capacity. The existing infrastructure, including logging roads, loading facilities and rail, will significantly minimize the capital required to recommence operations. The recommissioning study will assess the transportation options available to Jameson.

Prospective buyers of thermal coal include international utilities and local cement manufacturers. Recent discussions with both potential overseas and domestic off-take partners have confirmed interest in the thermal coal produced from the Basin Coal Mine.

The Jameson Board believes that the acquisition of the Basin Coal Mine, can be developed into a +1mtpa coal operation that should deliver significant upside for Jameson shareholders.

A video presentation of the Basin Coal Project is available on the Company website www.jamesonresources.com.au

Any inquiries regarding this announcement should be directed to Jameson's Executive Director, John Holmes

The information pertaining to the technical content of this report has been reviewed by Mr John Holmes, who is a member of the Australian Institute of Geoscientists. Mr. Holmes is employed by Jameson Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Holmes consents to the inclusion in the report of the technical information in the form and context in which it appears.

Consent for the inclusion of the resource has been provided by Mr Robert T. McKnight. Mr McKnight has completed the Resource Estimation to NI43-101 and JORC reporting standards. Mr McKnight has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.



Figure 2: Project Location Map

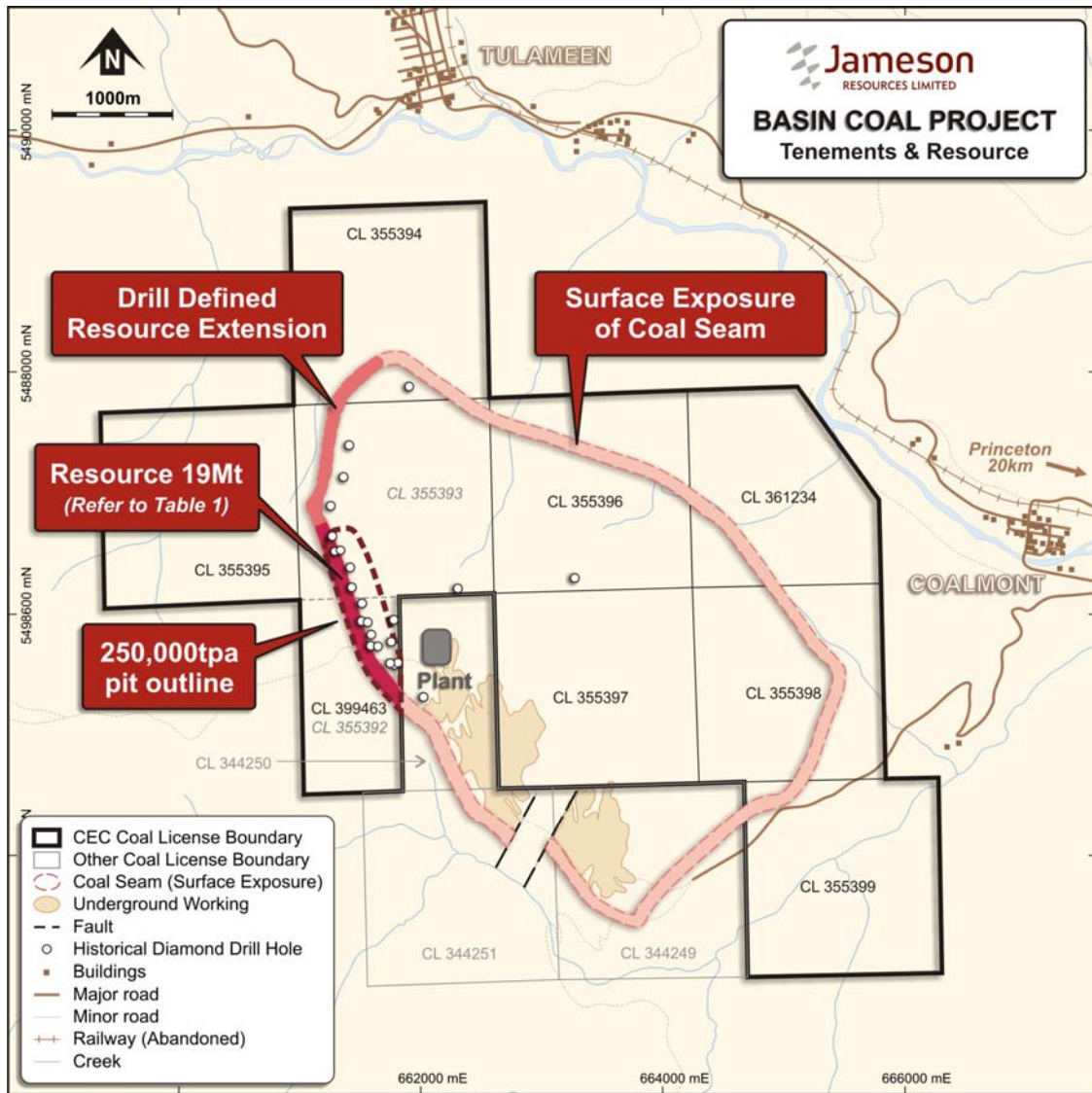


Figure 3: Basin Coal Project – Resource Outline and Exploration Potential