

# ASX Release



**ORPHEUS**  
ENERGY

20 March 2012

## ORPHEUS ENERGY TO PRODUCE 25,000 TONNES PER MONTH AT ADK MINE

- **ADK planned production for CY2012 at the rate of 50,000 tonnes per month – OEG share 50%**
- **Minimum A\$15 per tonne cash profit margin targeted, first cash receipts expected in April 2012**
- **Resource drilling program to commence next week to delineate JORC compliant resources at the project**

Orpheus Energy (OEG) is pleased to advise that it has now finalised the updated mine plan for the Alam Duta Kalimantan (ADK) thermal coal project and confirms that production is planned at the rate of 50,000 tonnes per month from April 2012. Further to the announcement of 8 March 2012, OEG is entitled to 50% of the net profits from the ADK coal mine operations.

Orpheus has now analysed the cost of production at the ADK thermal coal project, and plans to achieve a minimum A\$15 per tonne cash profit margin at ADK. Two open pits are currently being mined at the project, by separate mining contractors, with fixed mining costs, to be reviewed every three months. The coal will be sold in the spot market while negotiations with long-term offtake parties are finalised.

Executive Chairman Wayne Mitchell said, "We are excited that Orpheus' new coal production can provide anticipated cashflow from the ADK project. Our next step is to bring B2 back into production as we target a rate of 1,000,000 tonnes per annum from the Company's projects by the end of 2012."

### **About Orpheus Energy Limited**

Orpheus Energy Limited ("OEG") is a coal company focusing on coal production and exploration in Indonesia. OEG also owns some Australian coal and industrial minerals projects. Orpheus has signed a strategic alliance with PT Mega Coal International ('Mega') which is an existing coal producer and exporter.

### **About PT Mega Coal**

PT Mega Coal is a privately-held coal mining company with an extensive local network and mining experience in Indonesia. OEG has an existing strategic alliance with PT Mega, notably including its joint ventures (OEG 51% owners for both), for the B26 and B34 projects in East Kalimantan. B26 is a coking and thermal coal mine. At B26, the imminent appointment of a new mining contractor at OEG's B26 mine with specific expertise in thin seam mining is expected shortly. At B34, OEG is currently

finalising the exploration program for B34, also in East Kalimantan. The strategic alliance with PT Mega Coal enables the opportunity for continued additional coal concessions in Indonesia.

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