



10 September 2012

ORPHEUS SECURES INDONESIAN COAL TRADING LICENCE

Orpheus Energy (ASX:OEG) today announced that the Indonesian Ministry of Energy and Mineral Resources has approved the application by OEG's fully owned subsidiary PT Orpheus Energy, for an independent coal trading licence - Decree No: 702.K/30/DJB/2012.

Holders of such licences are regulated by the Ministry of Energy and Mineral Resources and various Presidential and governmental decrees relating to coal mining operations, the exporting of and domestic use of coal production, as well as pricing benchmarks.

The coal trading licence provides Orpheus with a new potential profit centre as it enables the company to not only sell its own coal but also production from other miners. Targeting power stations and trading groups from India, South China and Thailand, it is anticipated that Orpheus will ramp up its current trading volume of approximately 30,000 tonnes per month to several hundred thousand tonnes per month over the coming year. Coal trading in Indonesia typically earns \$1 - \$3 per tonne net margin for the coal trader.

Orpheus has appointed a specialist coal trading executive, Mr Arun Valliyamai, to join its Jakarta team. Mr Valliyamai has 17 years of experience, including the last five years in Indonesia, and has specialised in thermal coal, from sourcing through all coal selling activities.

Executive Chairman Wayne Mitchell said, *"We have been working on securing our own coal trading licence for some time and I am delighted that we are now able to add the next element to our overall Indonesian vertical integration strategy of coal exploration and production, coal trading and infrastructure. Trading our own and other miners' coal provides Orpheus the flexibility and diversification to protect and enhance company earnings, particularly in a low coal price environment."*

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Cautionary Note:

This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subjected to risk and uncertainties that might be out of control of Orpheus Energy Limited and may cause actual results to differ from the release. Orpheus Energy Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

Competent Person's Statement:

The statements above apply in respect of the information in this announcement that relates to exploration targets and mineral resources. The information is based on, and accurately reflects information compiled by Wes Harder, who is a Member of the Australasian Institute of Mining and Metallurgy. Wes Harder is a Director of Orpheus Energy Limited and is a Geologist who has sufficient experience which is relevant to the style of coal mineralisation and type of deposit under discussion 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". Wes Harder consents to the inclusion in the report of the material, based on his information, in the form and context in which it appears.

*** JORC- Exploration Target**

It is common practice for a company to comment and discuss its exploration in terms of target and size type. The information in this announcement relating to exploration targets should not be misunderstood or misconstrued as an estimate of mineral resources or ore reserves. The potential quantity and grade is conceptual nature, there has been insufficient work completed to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.