

31 July 2009

MARKET ANNOUNCEMENT

BERAU PROJECT COAL SALE HEADS OF AGREEMENT

Strike is pleased to announce the execution of two Heads of Agreement for the sale of a total of 2.4 million tonnes of coal over a two year period from its Berau Coal Project to leading industrial companies in China and Taiwan.

[Formosa Plastics Group \(FPG\)](#)

[FPG](#) is a leading Taiwanese manufacturing corporation established in 1954 and is the worlds largest manufacturer of PVC resins.

The agreement with FPG is for the purchase of 1.2 million tonnes of coal over the term of the agreement (+/-10% at the buyer's discretion) to be mined from Strike's Berau Coal Project.

The term of the agreement is for an initial period of two years. Coal shipments are required to be made in approximately equal amounts spaced evenly over the term of the agreement.

The agreement requires the commencement date for supply of coal to be no later than 30 April 2010.

The coal price under the FPG heads of agreement will be determined by reference to the higher of the [globalCOAL](#) Newcastle Coal Index (**NEWC Index**) (with a proportionate adjustment to reflect any difference in the gross calorific value of coal sold versus the assumed gross calorific value of coal in the NEWC Index) or the price at which coal is required to be sold under Indonesia's New Mining Law.

The agreement is subject to the negotiation of a formal binding agreement consistent with the terms of the FPG heads of agreement. In the event that a formal agreement cannot be executed either party may terminate the heads of agreement.



CNBM International (CNBM)

The China National Building Materials & Equipment Import & Export Corporation (CNBM International) was founded in 1985 and is a Chinese state level managing enterprise within the building material industry. CNBM has total assets of approximately 55 billion RMB Yuan and staff of 55,000. It is one of China's leading cement manufacturers.

The agreement with CNBM is for the purchase of 1.2 million tonnes of coal over the term of the agreement (+/-10% at the buyer's discretion) to be mined from Strike's Berau Coal Project.

The term of the agreement is for an initial period of two years. Coal shipments are required to be made in approximately equal amounts spaced evenly over the term of the agreement.

The agreement requires the commencement date for supply of coal to be no later than 30 April 2010.

The coal price under the CNBM heads of agreement will be negotiated in the formal agreement indicatively by reference to the [globalCOAL](#) Newcastle Coal Index (NEWC Index) or another institution agreed by both parties.

The agreement is subject to the negotiation of a formal binding agreement consistent with the terms of the CNBM heads of agreement. In the event that a formal agreement cannot be executed either party may terminate the heads of agreement.

Strike looks forward to working with each of CNBM and FPG as it advances its Berau Coal Project.

For further information:

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