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Handini Resources targets August ASX listing

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- A\$10M IPO comprising 20M shares at 50 cents plus oversubscriptions of up to A\$5 million.
- Core asset is an operating 1.2Mtpa thermal coal mine in Sumatra, Indonesia.
- Planning well advanced to double production capacity to 2.5Mtpa within the next two years.
- Positioned to take advantage of soaring demand and strong prices for thermal coal.
- A significant proportion of the shares being offered might be placed with a major coal off-taker.

An operating thermal coal mine in Indonesia developed and managed by coal entrepreneur Mrs Ibu Ratna Handini forms the centerpiece of new A\$10 million resources IPO, Handini Resources Limited ("Handini Resources"), which is aiming to list on the Australian Securities Exchange later this month. The capital raising and listing will bring a significant new niche coal producer to the Australian market.

Handini Resources - which has its headquarters in Perth, Western Australia - has lodged a Prospectus with the Australian Securities and Investments Commission (ASIC) for the issue of 20 million shares at an issue price of 50 cents each to raise A\$10 million, with the facility to take oversubscriptions to issue a further 10 million shares to raise an additional A\$5 million.

While the IPO is not underwritten, major international steel and IPP companies have indicated strong interest to subscribe for a significant proportion of the shares being offered through the IPO.

The IPO brings to the public arena a unique, advanced coal asset located in Jambi Province in Sumatra, Indonesia which was acquired by Mrs Handini's private company, BRN, four years ago and developed privately as a niche thermal coal export operation currently generating strong cash flows.

Handini Resources acquired the operation through a transaction completed earlier this year with PT Nusantara Termal Coal (NTC), which holds a 30-year Concession over the mine under a Coal Contract of Work with the Indonesian Government.

This Muara Bungo Concession, which covers an area of 28.6km², has JORC Code compliant Proved Ore Reserves of 22.9 million tonnes and Probable Ore Reserves of 1.1 million tonnes, as well as Measured Resources of 31.7 million tonnes and Indicated Resources of 5.2 million tonnes.

Mining commenced in March 2006 with 1.4 million tonnes of coal produced up until December 2007. Subject to a successful capital raising, the Company is planning to double production from the current rate of 1.2Mtpa to 2.4Mtpa within a period of two years.

The proceeds of the Offer will, together with the Company's existing cash resources, predominantly be used to fund the infrastructure upgrades required to facilitate the expansion, as well as to consider new project acquisitions and ventures. In addition, Handini Resources will undertake a feasibility study on a potential mine-mouth power plant utilizing the proceeds of any oversubscriptions received.

