



ASX Release

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HUNNU COAL LIMITED
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Issued Capital:
212.1 million shares

ASX Symbol: HUN

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PLACEMENT AND STRATEGIC PARTNERSHIP WITH BANPU PCL

The Company is extremely pleased to announce that it has signed a Strategic Shareholder Agreement and Memorandum Of Understanding to form a strategic partnership with Banpu Public Company Limited through its 100% owned subsidiary Banpu Minerals (Singapore) Pte Ltd.

Key terms of the agreed partnership include:

- **30 million shares placed to Banpu Minerals (Singapore) Pte Ltd at \$1.50 per share for \$45 million.**
- **Placement is at a 20.1% premium to Friday 4 March 2011 closing price.**
- **On completion of the placement Banpu will own 12.39% of Hunnu Coal's issued shares and will be the largest shareholder.**
- **Banpu will nominate a Non-Executive Director to the Hunnu Coal Board of Directors, which will allow Banpu's expertise in coal mining and project development to benefit Hunnu Coal at the highest level.**
- **Banpu is a major Asian Energy Company with operations in Thailand, Indonesia, China and Australia.**
- **Banpu currently produces over 40Mt of coal annually.**
- **Funding will be used to further fast track the development strategies for the Tsant Uul and Unst Khudag Coal deposits.**

The signing of a strategic partnership with Banpu PCL is a significant milestone in the growth of Hunnu Coal from explorer to developer to producer. Hunnu Coal is aiming to become Mongolia's premier coal company and is focussed on high demand thermal and coking coals that are close to existing or planned infrastructure. Hunnu's dominant land position in the Middle and South Gobi Province's (Mongolia's coal engine room) places the Company in an enviable position. The entry of Banpu PCL onto the Hunnu register is a vote of confidence in Hunnu Coal's management, coal projects and strategy.

Hunnu now has a major Asian Energy Company as its major shareholder. Banpu PCL will bring a wealth of experience and guidance to the growth of the Company.

Hunnu Coal has over 400Mt of JORC reported Coal Resource across its Projects and has become one of the major explorers for coking and thermal coal deposits in the World Class South Gobi and Middle Gobi Coal Provinces. The Company intends to continue its aggressive exploration efforts as it moves steadily towards development scenarios.



Banpu Public Company Limited is an energetic Asian energy company managing coal mining and coal related businesses operating in four countries namely Thailand, Indonesia, China and Australia.

Banpu has engaged in coal mining and coal related businesses for more than 25 years. Banpu currently has an annual coal production of approximately 40 million tonnes per year. Driven by its sustained growth through superior performance and operational excellence, Banpu is currently establishing itself as an innovative coal-based energy company characterized by unparalleled professionalism and Asian Values - in other words, "The Asian Face of Energy"

www.banpu.com

George Tumor
Managing Director

The information in this report that relates to Exploration Results, Exploration Targets and JORC Resources are based on information compiled by Mr George Tumor who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tumor is the Managing Director of Hunnu Coal Limited. Mr Tumor 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tumor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

TSANT UUL PROJECT

JORC CATEGORY	TOTAL (Mt)
Measured	34.3
Indicated	27.7
Inferred	27.7
TOTAL	89.7

UNST KHUDAG PROJECT - Har Toirom Deposit

JORC CATEGORY	TOTAL (Mt)
Measured	18.85
Indicated	207.4
Inferred	98
TOTAL	324