



**COAL FE RESOURCES LIMITED**

A.B.N. 41121 969 819

18 September 2008

Company Announcements Office  
Australian Stock Exchange  
PO Box H224, Australia Square  
Sydney NSW 2000

Dear Sirs

### **Entitlement Issue Update**

As announced on 9 September 2008 the Company has resolved to extend the closing date for the current Entitlement Issue to 1 October 2008.

The current state of the capital markets and general investor nervousness has resulted in a low level of acceptances to date to the Company's offer.

Notwithstanding the short term impact that this has had on the available working capital the Board remains confident in the Company's ongoing financial viability.

The Board's confidence is supported by the decision of one of its major shareholders, Accent Capital Pty Ltd, which has advanced \$230,000 in the form of an unsecured loan to the Company. This sum represents the amount that Accent would have otherwise contributed through its entitlements under the rights issue and enables access to these funds prior to the closure of the issue.

The advance from Accent Capital Pty Ltd is an unsecured loan; repayable within 24 months or; at the sole discretion and election of the Company (subject to receipt of shareholder approval); convertible into ordinary shares at 10 cents per share and otherwise on the same terms as the existing entitlements offer. Accents' entitlements under the rights issue will now form part of the shortfall.

These funds will enable the Company to meet its current obligations, progress the Abadi development and the finalisation of the Entitlement Issue.

As detailed in our recent quarterly report Coal FE management are progressing the development of the high grade Abadi coal project and are continuing discussions on a number of fronts with industry operators with a view to assisting in the Abadi mine development and possible product off-take.

Yours faithfully

Faris Azmi Abdul Rahman  
Finance Director

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