



COAL FE RESOURCES LIMITED

2 April 2007

Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth 6000
Western Australia

Attn: Nicholas Ong/Matthew Foy

Dear Sirs,


STATEMENT OF COMMITMENTS ON APPLICATION OF FUNDS

We hereby confirm, as disclosed in the company's prospectus, the total fund of \$3,909,850.00 raised from the IPO would be committed as follows:

	Amount AUD
Sources of Funds	
Funds on hand	3,824
Proceeds from the Offer	3,909,850
Total Funds Available	<u>3,913,674</u>
Uses of Funds	
Kilisuai mining & development costs	1,500,000
Palapa development costs	300,000
Abadi development costs	300,000
Coal trading and identification of iron ore & coal deposits	600,000
Corporate costs	530,000
Costs of the offer	380,000
Working capital	303,674
TOTAL	<u>3,913,674</u>

Do contact us if you have any further queries.

Yours sincerely,


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EXECUTIVE DIRECTOR

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