



COAL FE RESOURCES LIMITED

7 August 2009

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

Attn: Matthew Foy

Dear Sirs,

CONFIRMATION OF CASH BALANCES

We hereby confirm that as at 30 June 2009, Coal FE Resources Ltd has a cash balance of \$209,725.59 which is allocated for corporate costs of the Company. The corporate cost of the company is approximately \$25,000.00 per month. The Company will have sufficient cash until December 2009.

The Company is expecting cash flows from the Abadi Project in October 2009 with production to commence end August 2009 as announced on 14 April 2009. As disclosed in the announcement, all project related costs on the Abadi project is being borne by our joint venture partner.

Do contact us if you have any further queries.

Yours faithfully,

Faris Azmi Abdul Rahman
EXECUTIVE DIRECTOR

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