



COAL FE RESOURCES LIMITED

A.B.N. 41121 969 819

1 October 2008

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

### ENTITLEMENT ISSUE UPDATE

On 16 July 2008, the Company announced a pro rata non-renounceable entitlement issue of one (1) New Share for every five (5) Shares held by Shareholders registered at 5.00pm (WST) on 31 July 2008 at an issue price of 10 cent per New Share to raise approximately \$1,434,685 together with one (1) free attaching New Option for every two (2) New Shares issued exercisable at 10 cents on or before 31 December 2010 ("Entitlement Issue").

Applications closed today and the Company has not achieved the minimum subscription level required. As such, the Board has decided to close the Prospectus and refund all monies received to date. The Company is presently looking to offer a revised entitlement issue in view of the present market conditions. The revised entitlement issue will take into consideration the current trading price of the Company on the ASX to ensure the entitlement issue is attractive to shareholders.

Yours faithfully

**Allan Ryan**  
Chairman