

PRESS RELEASE

HANCOCK CREATES HISTORY - FIRST COAL FROM GALILEE BASIN AUSTRALIA

Hancock Coal this week created history, with the first ever coal being extracted from the Galilee Basin of Queensland, Australia. Coal is being extracted by large mining shovels and hauled by Caterpillar 789 trucks. The coal is being crushed and stockpiled in readiness for the historic official 'first coal' from the Galilee Basin opening, to be held later this month. This brings Hancock's vision a step closer to reality of being the first to export coal from the Galilee Basin, despite some delays and setbacks caused by flooding events this year.

Hancock is pleased to announce that its Trial Mine will export the first ever thermal coal shipment from Queensland's Galilee Basin on 26 June, 2011.

The first shipment is destined for a power station in the Republic of Korea.

This is a historic occasion for Hancock's Alpha (Tad's Corner) project and underpins the already extensive bulk sample testing work that demonstrates its comprehensive acceptance by the market.

Hancock Prospecting's Executive Director – Tad Watroba, emphasised Hancock's unique position compared to its competitors in the Galilee Basin, "having had the early ability to select the best quality and most economic areas. This pre-emptive action taken by the late Lang Hancock in selecting "Kevin's Corner" and then by our Chairman Mrs. Gina Rinehart, in selecting "Tad's Corner" (Alpha) has now led to our thermal coal possessing superior quality and combustion characteristics that provide power stations with a fuel which generates less sulphur and less ash than many other thermal coals both regionally and globally as well as relative ease of access to the coal."

The official first coal export ceremony from the Alpha (Tad's Corner) Trial Mine will be attended by prospective international coal customers, predominantly from the power generation sector. Hancock has ensured a broad ranging customer base encompassing some 13 buyers in 6 countries, including Japan, Taiwan, Vietnam, China, Korea, and India. Mr Paul Mulder also noted that the first coal milestone amongst other critical 'project enabling milestones' (noted below) was setting Hancock apart from the rest of the field:-

Critical Project Enabling Milestones

- The only Galilee Basin proponent to possess Native Title Agreements across the Mine, Railway and Port land
- The only Galilee Basin proponent to possess a port allocation (both land and marine) at the port of Abbot Point, namely as preferred developer for Terminal 3 (next to BHP Billiton)
- The first Galilee Basin proponent with a declaration as an Infrastructure Facility of Significance for the rail corridor project from the Galilee Basin to Abbot Point
- The only Galilee Basin proponent to possess guaranteed provision of power infrastructure (by Powerlink)
- Secured water supplies
- First Galilee Basin proponent to have Mining Lease applications in progress
- The only Galilee Basin proponent with market commitments from across Asia and India
- The only Galilee Basin proponent to have commenced ground breaking early works

- The only Galilee Basin proponent to have secured large acreage to support construction and operations, and,
- The only Galilee Basin proponent likely to have advanced approvals to enable Mining Lease grant in 2012

The Tad's Corner and Kevin's Corner Projects, if they obtain all government approvals, will bring benefits to the State and Australia such as:-

- Hundreds of millions of dollars of royalties each year
- Full time sustainable employment
- A positive boost for regional service provision as a result of the mines, rail and port

And further benefits when the Hancock Alpha West mine is also developed.

Chairman of Hancock Prospecting, Mrs Gina Rinehart also commented "Despite various media speculation, the Hancock companies will continue to hold equity in our major Queensland coal projects".

"We always recognised we would not be able to retain 100% equity given the significant size of the investment required for the three mines and their infrastructure – but remain keen to hold a significant position. These are projects we have worked very hard to progress – we only regret that with Australia's high costs and the risks of additional taxes our Australian company unfortunately won't be able to retain as much equity as we had hoped."

For more information please see <http://www.hancockcoal.com.au/go/news-and-presentations/presentations> file entitled Hancock's Coal Projects - Update (dated 17 June 2011).