



COALWORKS Limited

23 June 2009

**The Manager
Company Announcements Office
ASX Limited**
Via: www.asx.online.com

SEISMIC CONFIRMS OAKLANDS COAL SEAM CONTINUITY

- ***Initial interpretation of seismic survey line data bolsters modelled seam continuity.***

Initial seismic survey interpretations conducted by Velseis Pty Ltd have recently been received for all three survey lines conducted across the northern section of Coalworks' Oaklands Project (EL 6861) where drilling to upgrade the 760 Mt* of Indicated and Inferred Resources (classified according to the JORC code) to a Measured status is being conducted (Figure 1 attached).

The seismic survey was highly successful in outlining the continuous draped nature of the seams on all three lines surveyed. Drill hole geological logs and down hole geophysical survey data has been used in the interpretation of the seismic data along these transects. Figure 2 attached shows the interpreted coal seams for line (1) OAK09-01 with drill hole data and interpreted top of coal seam overlay.

These three survey lines form a fence block through the area of the current drilling campaign and confirm the continuous nature of the coal seams. Minor small scale faulting has been recognised along each transect, though these show little disruption to the continuity of the seams (Figure 2). The location of the faults is accurate to +/- 15m.

Commenting on the seismic survey data, Coalworks Managing Director and CEO Andrew Firek said: "We are very pleased to see that the seismic survey line data reinforces the continuity of the seam. We believe the potential for producing reliable blocks of coal from future mining operations is heightened by these findings. We will factor this new data into mine design studies for our bankable feasibility study currently underway."

For further information, please contact:

**Mr Andrew Firek, CEO
COALWORKS Limited**
Tel: +61 2 9922 1344
Fax: +61 2 9929 3098
Email: info.coal @bigpond.com
www.coalworks.com.au

COALWORKS Limited ACN 114 702 831
Level 5, 44 Miller Street, North Sydney NSW 2060 AUSTRALIA
Ph: +61 2 9922 1344
Fax: +61 2 9929 3098
Email: info.coal@coalworks.com.au
www.coalworks.com.au

About COALWORKS

Coalworks has a portfolio of projects in Australia including Oaklands (JORC indicated and inferred 760mt* thermal coal; Bankable Feasibility Study underway), Hodgson Vale (exploration target thermal coal) and Ashford (limestone deposit with high value lime products as the target).

*See Coalworks' ASX announcements on 11 March and 17 April 2009

JORC Statement

The information in this report relating to resources is based on information compiled by Tom Bradbury who is a member of the Australasian Institute of Mining and Metallurgy and who is employed by Geos Mining. Tom Bradbury has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Tom Bradbury consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."

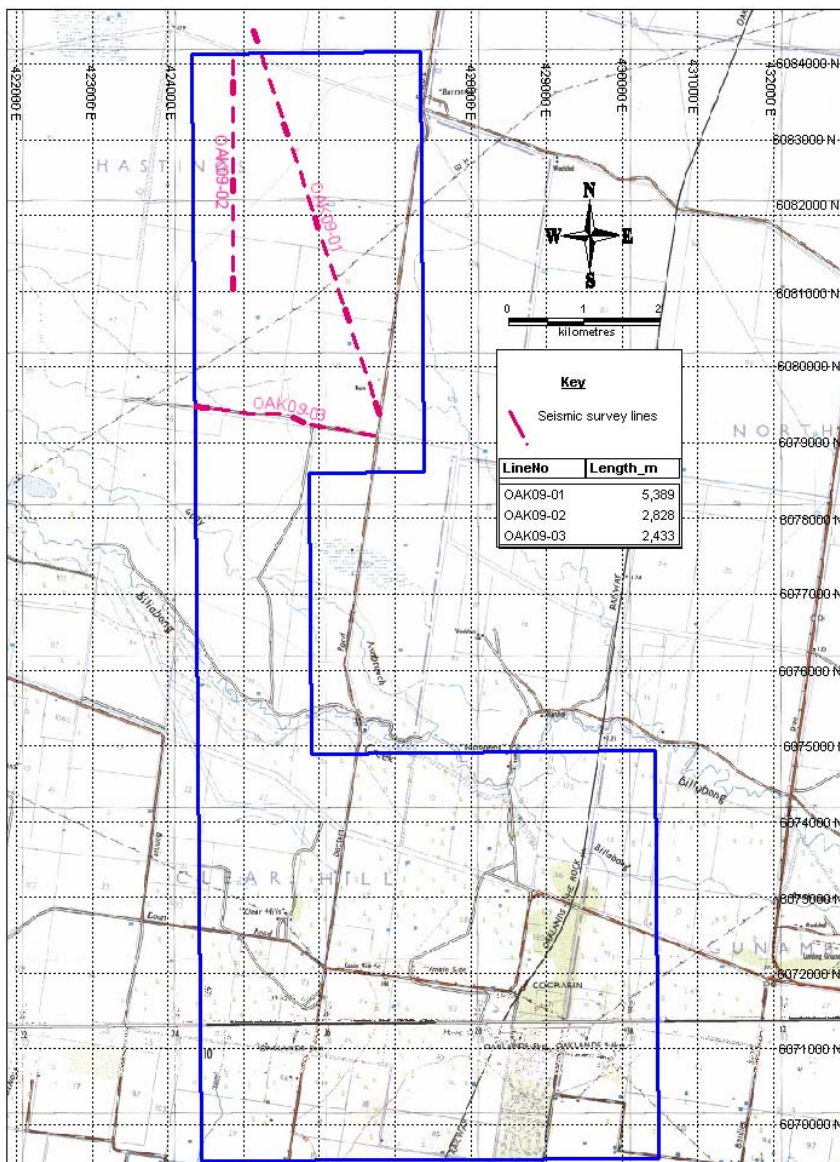


Figure 1. Seismic survey line location plan

COALWORKS Limited ACN 114 702 831
Level 5, 44 Miller Street, North Sydney NSW 2060 AUSTRALIA
Ph: +61 2 9922 1344
Fax: +61 2 9929 3098
Email: info.coal@coalworks.com.au
www.coalworks.com.au

Coalworks Ltd. GEOS Mining PRELIMINARY INTERPRETATION
 Coalworks 2D Seismic Survey 2009
 Scale 1:10,000 VII-T Approx.

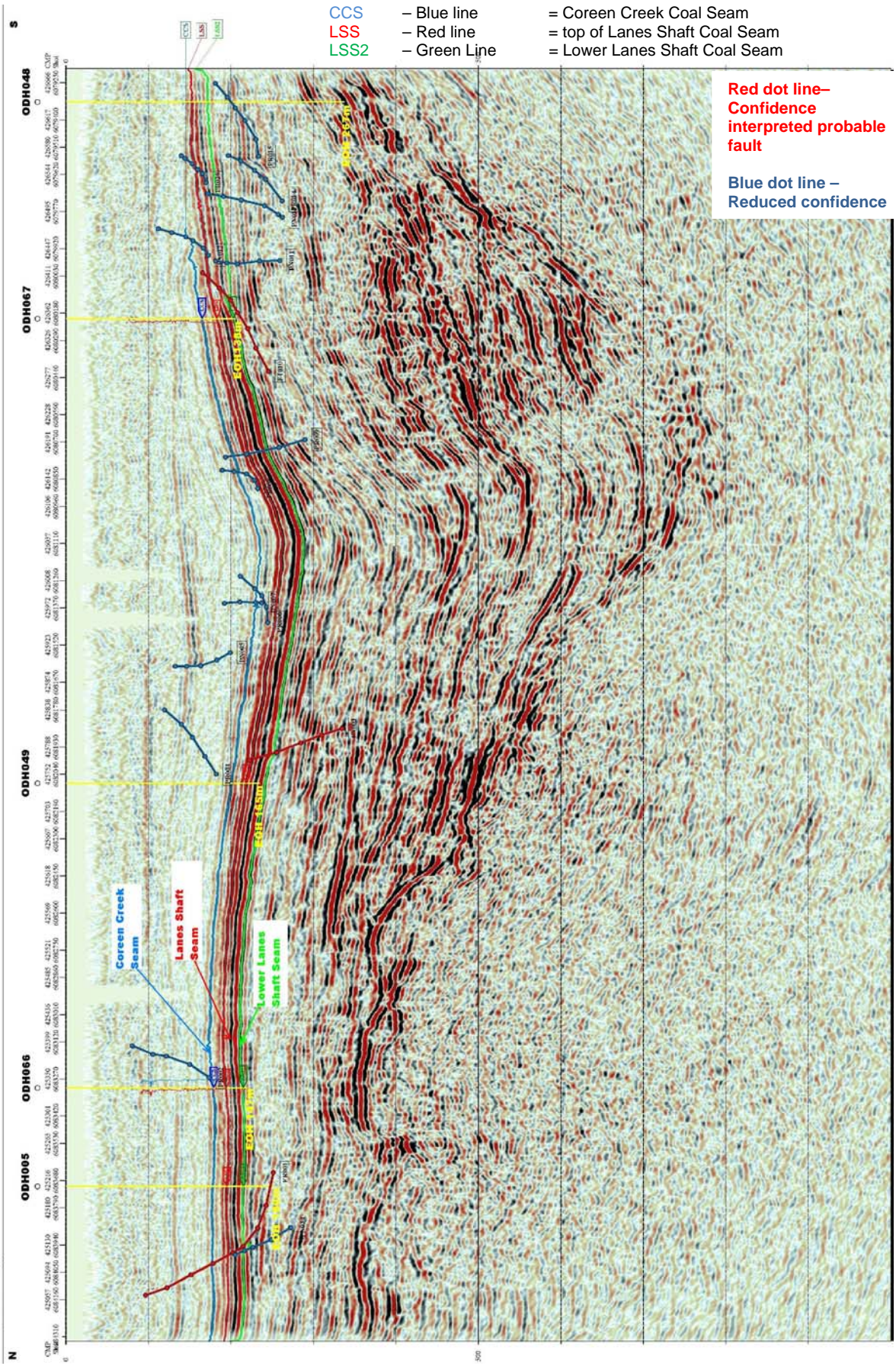


Figure 2. Seismic survey line (1) OAK09-01 interpretation.

COALWORKS Limited ACN 114 702 831
 Level 5, 44 Miller Street, North Sydney NSW 2060 AUSTRALIA
 Ph: +61 2 9922 1344
 Fax: +61 2 9929 3098
 Email: info.coal@coalworks.com.au
www.coalworks.com.au