

# ASX and Media Release

## Progress report – drilling at the Penrhyn coal project

WPG Resources Ltd (ASX:WPG) is pleased to advise the following progress in its current drilling program at Company's Penrhyn coal project south west of Coober Pedy in South Australia.

To date 8 of the proposed 32 holes have been completed for a total of 1,073.3 metres of open hole drilling and 60.7 metres of PQ3 diamond coring. A preliminary summary of results to date is shown in the table below. Coal intersections of less than 0.4 metres have been ignored.

| Hole No.  | Total Depth (m) | Number of Seams | Total Seam Thickness (m) | Max Seam Thickness (m) |
|-----------|-----------------|-----------------|--------------------------|------------------------|
| PCWP-008  | 150             | 4               | 5.20                     | 3.60                   |
| PCWP-011  | 150             | 12              | 13.75                    | 4.00                   |
| PCWP-014  | 150             | 15              | 19.30                    | 6.00                   |
| PCWP-016* | 120             | 4               | 6.05                     | 3.00                   |
| PCWP-017  | 150             | 19              | 18.00                    | 3.60                   |
| PCWP-026  | 150             | 1               | 3.60                     | 3.60                   |
| PCWP-029  | 144             | 1               | 0.85                     | 0.85                   |
| PCWP-032  | 120             | No Coal         | --                       | --                     |

\* PCWP016 is a diamond core hole

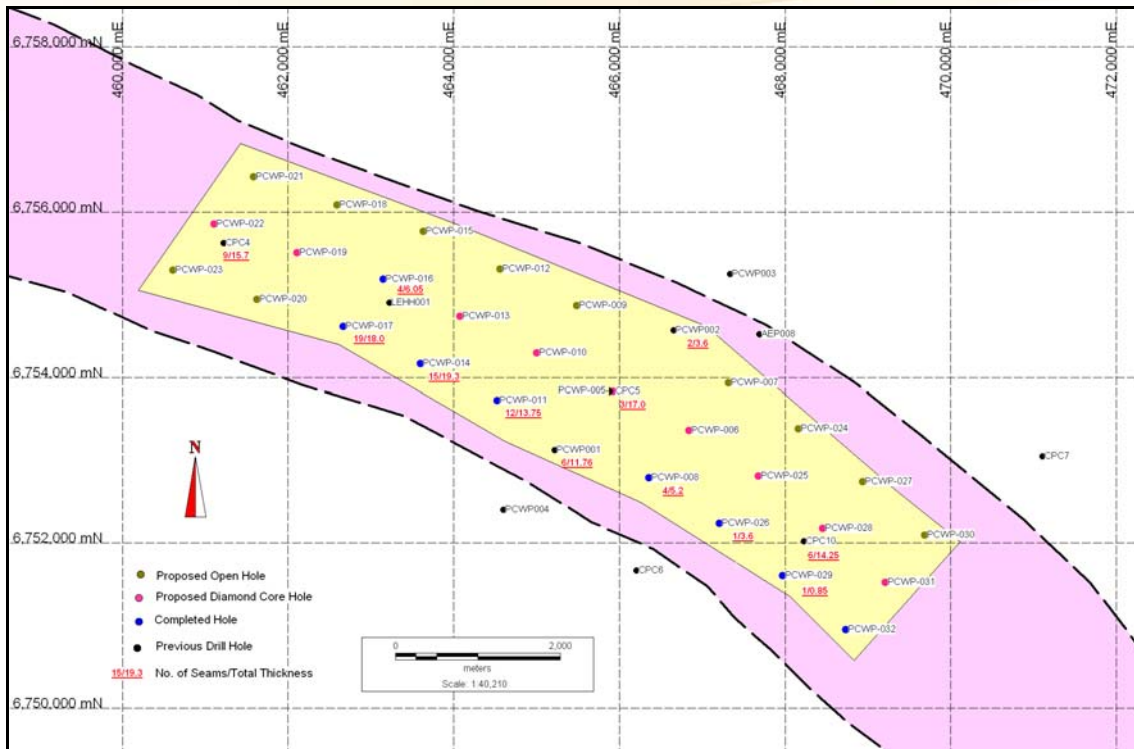
Penrhyn is a sub-bituminous coal deposit located just 25 kilometres from the rail loading loop and a similar distance from the accommodation village and haul road that will be built for WPG's flagship Peculiar Knob iron ore project, so it is ideally situated to benefit from this infrastructure and the excess capacity that will be available early next year (subject to all necessary approvals) at the Company's Port Pirie export facility.

The locations of the holes drilled to date, and those planned, are shown in the drawing overleaf.

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ABN 51 109 426 502  
Level 9, Kyle House  
27-31 Macquarie Place  
Sydney NSW 2000  
Telephone (+612) 9251 1044  
Facsimile (+612) 9247 3434  
info@wpgresources.com.au  
www.wpgresources.com.au



Photographs of part of the intersections in hole PCW016 are shown below.



Seam 2 Ply 1



Seam 3 Ply 1

The Penrhyn coal project is intended to form part of the proposed joint venture with Evergreen Energy Inc (NYSE Arca:EEE) that was announced on 3 February 2011. Under the terms of the present MOU agreement, the JV will have the rights to the first 15 mtpa of upgraded coal produced anywhere in Australia using Evergreen's K-Fuel process. After the first 15mtpa, the JV will have the first right to participate in new coal upgrading projects that Evergreen undertakes in Australia on terms to be negotiated in good faith at the time.

#### Competent Person

The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of WPG and a full time employee of Geonx Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

#### Further Information

For further information please contact Bob Duffin, WPG's Executive Chairman on 02 9247 3232 or 0412 234 684.