

# ASX and Media Release

## Maiden 352.4 million tonne coal resource estimate for Penrhyn deposit

WPG Resources Ltd (ASX:WPG) is pleased to advise it has prepared a preliminary coal resource estimate for the Penrhyn deposit in EL 4525 south west of Coober Pedy in South Australia. The estimate is set out in the following table.

Resource Category	Tonnage (million tonnes)
Measured coal resource	185.4
Indicated coal resource	150.5
Inferred coal resource	16.5
Total coal resource	352.4

The coal resource estimate shown above is substantially larger than WPG's previous guidance. It has been prepared following a systematic program of resource definition drilling comprising 19 open holes and 12 diamond drill holes that were completed in early June. The total amount of drilling for the program comprised 3,611 metres of open hole drilling in both open holes and diamond hole precollars together with 1,025 metres of PQ sized diamond core drilling for a total of 4,636 metres drilled. Detailed geological logging and down hole geophysical probe measurements for gamma, neutron, calliper and near and far density were completed for each of the 31 drill holes.

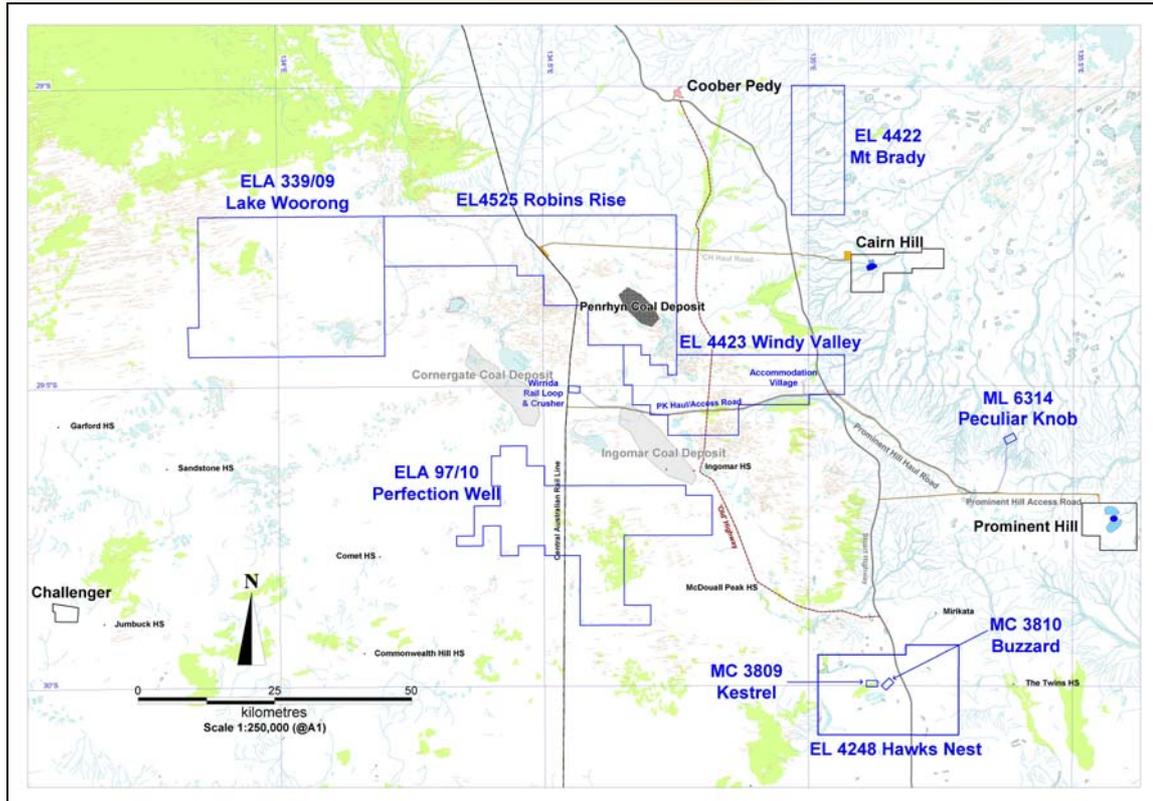
Penrhyn is held by Southern Coal Holdings Pty Ltd, the joint venture vehicle with Evergreen Energy Inc (NYSE Arca:EEE) that will commercialise Evergreen's clean coal upgrading technology in Australia. Details of this joint venture were released in WPG's ASX announcement of 10 June 2011. In addition to the very large coal resource now identified at Penrhyn, SCH holds a number of other tenements, one of which is Lochiel North (a lignite or brown coal, as opposed to the sub-bituminous coal at Penrhyn), where WPG has previously released an inferred coal resource estimate of 270 million tonnes.

Penrhyn's location is shown in the drawing on the following page.

7 July 2011



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



Penrhyn is 25 kilometres from the rail loading loop and close to the accommodation village and haul road that will be built for WPG's flagship Peculiar Knob iron ore project, so it is ideally located to benefit from this infrastructure and any excess capacity that will be available next year (subject to all necessary approvals) at WPG's Port Pirie export facility.

The drilling program defined four significant coal seams together with two coal bearing stratigraphic horizons that are host to between two and four seams. The largest intersection was 8.0 metres in Seam J; seams less than 0.4 metres thick were not sampled and have been ignored in the resource calculation.

The resource estimate has been prepared following detailed geological interpretation, seam correlation and 3-D modelling, assisted by an analysis of the down hole geophysical logs.

The distribution of the total resource estimate by seam is set out in the following table, in millions of tonnes.

Seam Name	Measured Resource	Indicated Resource	Inferred Resource	Total Resource
L (NW area)	-	7.4	-	7.4
L (SE area)	-	8.4	-	8.4
J	75.8	-	1.2	77.0
M	27.0	-	0.5	27.5
G	-	88.9	5.0	93.9
N	-	45.8	4.5	50.3
R	82.6	-	5.3	87.9
Totals	185.4	150.5	16.5	352.4

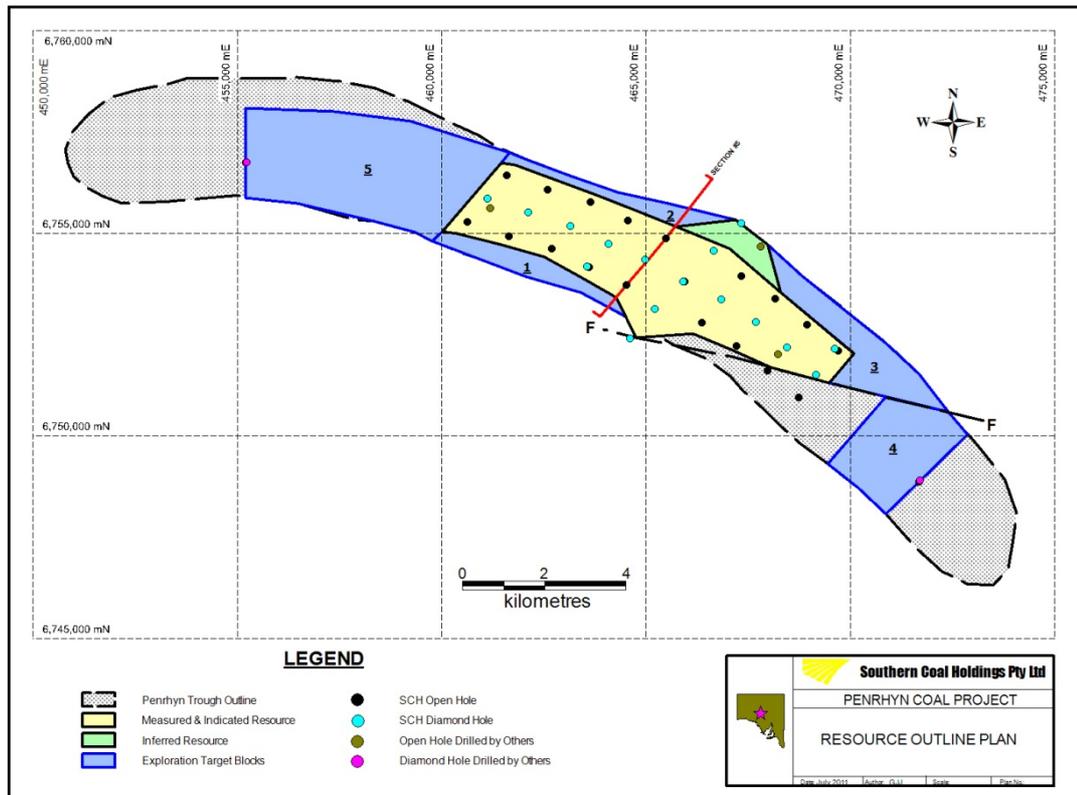
The average thickness of the four seams and the coal seam intersections in the two coal bearing stratigraphic horizons, in metres, is as follows.

L NW	L SE	J	M	G	N	R	Total
2.83	3.25	4.59	1.32	4.08	1.72	3.21	21.0

A total of 169 seam ply samples collected from the 10 diamond holes drilled along the axis of the trough together with a selection of representative roof and floor samples have been forwarded to a laboratory in Melbourne for coal quality, washing and other test work. Results are expected during the September quarter.

In addition, 38 seam ply samples from 2 diamond holes that were designed to twin open chip holes have been dispatched to Evergreen’s test facility in Wyoming USA. Test work has commenced on these samples with results also expected in the September quarter. A final resource estimate will be made when results of all test work have been received. This will be released, along with the results of the upgrading testwork, when it is available.

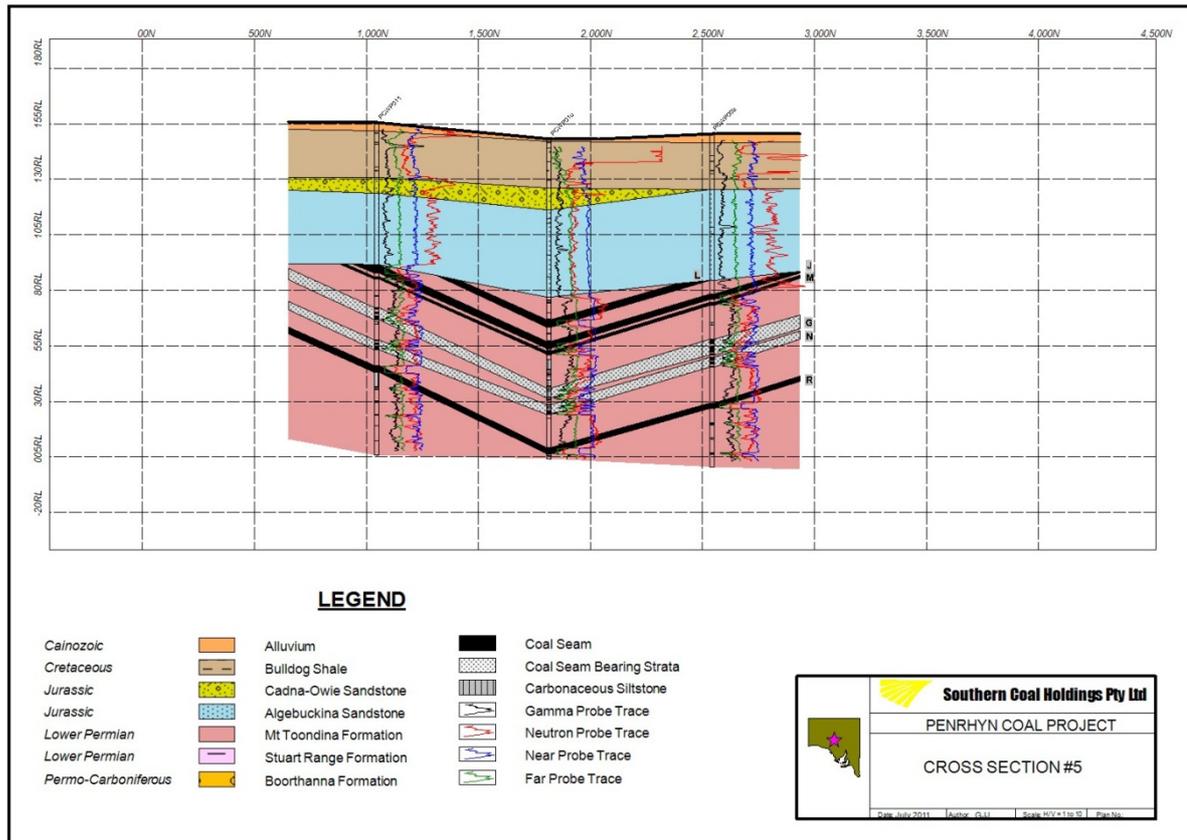
The zone covered by the drilling program is shown in the following drawing and covers an area of approximately 21square kilometres. This area is approximately 28percent of the total area of the Penrhyn Trough held under tenure in EL 4525.



As shown in this drawing, the drilling program has also enabled 5 additional areas to be outlined, each with good potential for extensions to the known coal seams. These blocks extend out from the defined resource zone and when combined form a new exploration target that is estimated to be in the range of 300 to 330 million tonnes. This exploration target is based on the drill hole and coal quality data that is currently available and is conceptual in nature.

To date there has been insufficient exploration in these additional areas to define a coal resource there, and it is uncertain at this stage if additional future drilling will result in the definition of additional coal resource in the Penrhyn Trough.

A typical cross section through the Penrhyn deposit is shown in the following drawing. Note that the vertical scale in this drawing has been exaggerated by a factor of 10, so that the stratigraphy can be better seen. The line of this section is shown in red on the map on the previous page.



In summary, the total identified coal resource at Penrhyn is 352.4 million tonnes, with additional exploration potential to virtually double that tonnage.

The deposit consists of four main and two subsidiary seams that are well developed along that part of the length of the Penrhyn Trough drilled to date, and also across its strike. The average total thickness of coals intersected in drilling to date is 21 metres.

#### Competent Person

The review of exploration activities and results contained in this report and the coal resource estimates for the Penrhyn and Lochiel North deposits 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 Geonz 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.