

# ASX and Media Release

## Completion of coal drilling program at Lochiel North

WPG Resources Ltd (ASX:WPG) is pleased to advise that it has completed a small diamond drilling program at Lochiel North south of Port Pirie in South Australia.

Lochiel North is held by Southern Coal Holdings Pty Ltd (SCH), a joint venture between WPG whose core business is in iron ore, and Evergreen Energy Inc (NYSE Arca:EEE) which developed the K-Fuel® process that can substantially increase the calorific value of sub-bituminous and lignite coals with reduced GHG emissions and other environmental benefits. SCH's objective is to commercialise coal deposits currently owned and to apply this technology to other projects where the K-Fuel® process has the capacity to create a new value added export product to cater to the growing energy demands of the Asia Pacific region. SCH has the exclusive rights to use Evergreen's coal technology in Australia for the first 15 mtpa of product coal from any project, not just from tenements that SCH currently holds.

The drill hole, LNWP001, was drilled near the centre of EL 4670 at Lochiel North and was completed at a depth of 123.1 metres. Seven lignite seams were intersected in the interval from 71.6 to 106.8 metres for a total of 9.4 metres of lignite. The seams varied from 0.3 to 3.0 metres thick.

A photo of one of the plies intersected during the drilling is shown below.

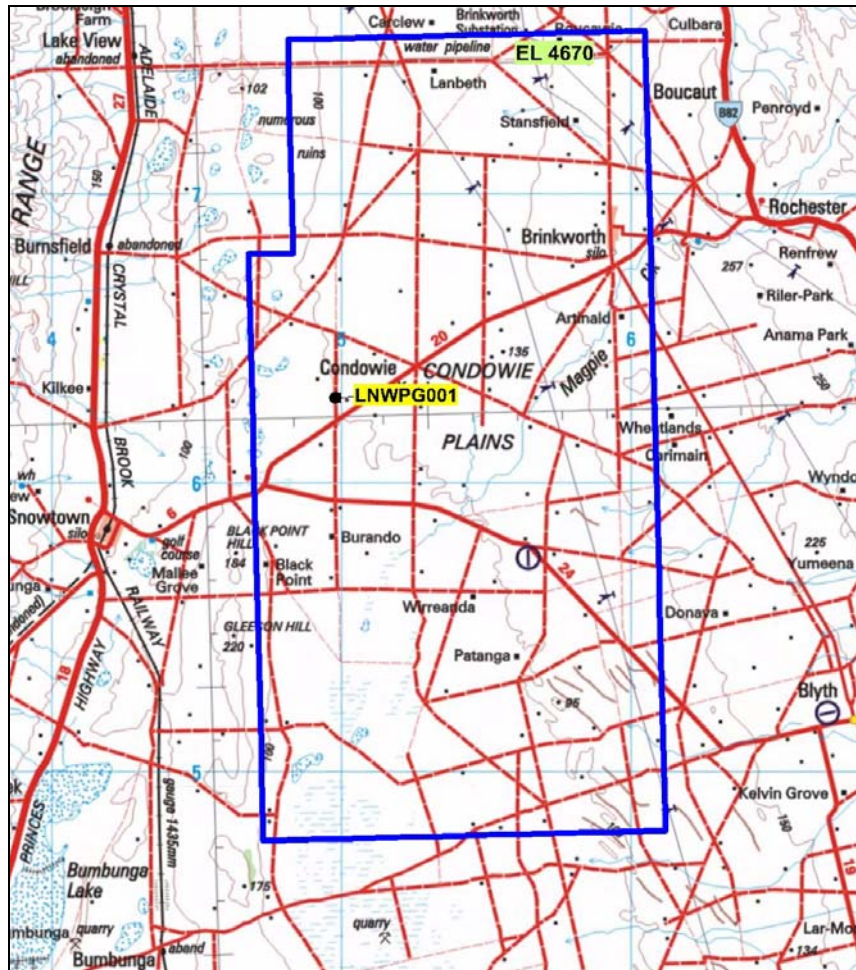


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The Lochiel North coal deposit is in the Clinton Coal Measures, a Tertiary unit within the St Vincent Basin. It lies within 6 kilometres of the standard gauge railway line from Adelaide to Darwin and Perth via Port Pirie. WPG is building a bulk commodities export facility at Port Pirie, which is 65 kilometres north of Lochiel North. The tenement's location is shown in the drawing below.



The principal objective of the drilling program was to obtain samples for testing at Evergreen's facility in Gillette, Wyoming. The samples have been sent to the United States and it is anticipated that results will be available during the current quarter.

The Lochiel North deposit has been extensively drilled in the past to test its potential to replace coal currently mined at Leigh Creek and used in the Port Augusta power stations. The inferred coal resource estimate at Lochiel North is 270 million tonnes.

#### **Further Information**

For further information please contact Bob Duffin, WPG's Executive Chairman on 02 9247 3232 or 0412 234 684, or Wayne Rossiter, SCH's CEO on 0420 959 304.

#### **Competent Person**

The review of exploration activities and results and the coal resource estimates contained in this presentation 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 Resources Limited and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style 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 announcement of the matters based on his information in the form and context in which it appears.