

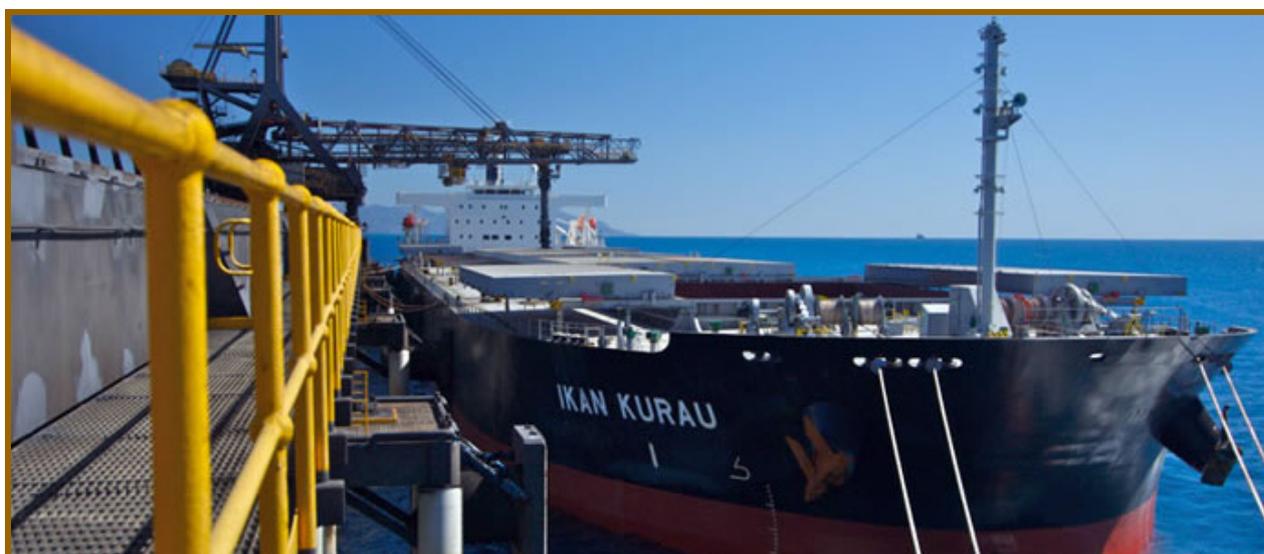
EAGLE DOWNS HARD COKING COAL PROJECT OFFERED ABBOT POINT COAL TERMINAL CAPACITY

Aquila Resources Limited (ASX:AQA 'the Company' or "Aquila") is pleased to announce that the Eagle Downs Hard Coking Coal Project has been offered 4Mtpa port capacity within the planned Abbott Point Coal Terminal X50 expansion, by North Queensland Bulk Ports Corporation subject to completion of take or pay contracts in Q1 2010 .

The Eagle Downs Hard Coking Coal Project owned 50% by Aquila and 50% by Vale is a proposed underground longwall coal mine, located 7km south of the Isaac Plains Coal Mine in Queensland's Bowen Basin with a JORC resource of 883Mt with 285Mt in the measured category. The Project is currently in the Definitive Feasibility Study stage and subject to Joint Venture and statutory approvals, is scheduled to commence underground development in 2012 with the first longwall expected to be producing in 2014 at rate of up to 4.6Mtpa.

Aquila recently released the outcomes of the Project Feasibility Study which included:

- Base case is a single longwall producing up to 4.6Mtpa of hard coking coal and expansion case with two longwalls producing up to 8.0Mtpa
- Capital expenditure is estimated at \$977 million, which includes provisions for EPCM (\$100 million) and contingency (\$155 million)
- Low operating costs of approximately \$73 per tonne (excluding State royalties)
- Annual EBITDA for the project is forecasted at \$350 million at 4.0Mtpa using current contract hard coking coal pricing and an exchange rate of US75 cents
- Resource and Reserve Statement released as part of the Feasibility Study
 - Increase in Measured Resource to 285Mt
 - Maiden Reserve Statement of 157.5Mt, expected to increase significantly
 - Measured and Indicated Resources have significantly increased by 30% to 450Mt
 - Minor increase in the overall Resource Statement to 883Mt with significant improvement in JORC classification
 - Exploration in the future will focus on Eagle Downs South



The Company understands that the planned additional capacity at the Port was keenly sought after.

The securing of port capacity is another important milestone for the Eagle Downs Hard Coking Coal Project, in its progress towards becoming a significant exporter of hard coking coal and is particularly pleasing given the level of competition for planned future export infrastructure facilities being experienced in Northern Queensland at present.

Situated about 25km north of Bowen, the Port of Abbot Point is Australia's most northerly coal port. The Abbot Point Coal Terminal comprises a rail in-loading facility, coal handling and stockpile areas, and a single trestle jetty and conveyor connected to a berth and shiploader, located 2.75km off-shore. The terminal is being expanded with the addition of a second wharf and shiploader as well as an additional onshore stockyard and machines.

Tony Poli
Executive Chairman

For further information regarding this announcement, please contact Tony Poli.

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The information in this presentation that relates to the Eagle Downs Hard Coking Coal Project Resource Statement has been based on information compiled by Mr Graeme Hewitt and Mr Mal Blaik who are members of the Australian Institute of Mining and Metallurgy. Mr Hewitt is a full time employee of Vale Australia and is seconded to the Bowen Central Coal Joint Venture to manage the exploration and evaluation of a series of project interests held by Aquila Resources Limited and Vale Australia. Mr Hewitt is a qualified Geologist (BSc (Hons) University of NSW, MBA (University of Queensland) and a Fellow of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt holds shares in Aquila Resources Limited. Mr Blaik is a Principal Consultant of JB Mining Services Pty Ltd. Mr Blaik is a qualified geologist (BSc App Geol (Hons) University of QLD, 1979) and is a member of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt and Mr Blaik consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

The information in this presentation that relates to the Bowen Central Coal Management Pty Ltd mining lease reserves, is based on information prepared by staff of Bowen Central Coal Management Pty Ltd and reviewed by Mr Geoffrey Watson, who is a member of the Australian Institute of Mining and Metallurgy. Mr Watson is a full time employee of Runge Ltd. Mr Watson consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.