

24th December 2009

SETTLEMENT OF MAMAHAK COKING COAL PROJECT IN EAST KALIMANTAN

Emerging global miner Kangaroo Resources Limited (ASX: KRL) announced on 16th December 2009 an agreement with TSX-listed mining company South Gobi Energy Resources Ltd (SGER) (TSX: SGQ) for KRL to acquire all of SGER's mining assets in Indonesia, including their 85% interest in the Mamahak Coking Coal Project.

The Company is pleased to announce that settlement has occurred.

The Mamahak Project has a JORC resource of 10.22Mt of high-quality coking coal, extensive infrastructure capable of supporting up to 1.5Mtpa coal production and a large 30,000 tonne coking coal stockpile ready for immediate delivery.



Raw coal crusher at Mamahak Project

OVERVIEW OF MAMAHAK PROJECT

The Mamahak Project has the following key characteristics:

- SGER reported a JORC resource of 10.22 million tonnes (Mt) of coking coal, comprising a measured resource of 6.90Mt, an indicated resource of 3.16Mt, and an inferred resource of 0.16Mt.
 - Surface mineable thin coal seams are extensively distributed in the Haloq Formation in the Mamahak Project area, with over 75% of project surface area unexplored, allowing for potential of additional significant coal discoveries;

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- Site infrastructure, river terminal, and stockpile and loading facilities capable of handling up to 1.5Mtpa of coal.
- Coal quality indicates high energy, relatively low ash, low moisture, and moderate to high sulphur levels with the calorific value ranging between an average of 7,526 – 7,570kcal/kg (adb), with high fluidity values and reactivities percentage over 95%.
 - SGER's evaluation of all coal analysis to date indicates that Haloq Formation coal at Mamahak will meet or exceed the following "Direct Ship" product coal specification with limited seam blending required at the mine sites.
 - Mamahak coal quality is highly reactive and expected to enhance or extend the value of selected Indonesian and Australian product coals currently being sold in coking coal blends on the World Seaborne Trade market.
- The close proximity of the Mahakam River will provide a viable long-term transportation link for the export of Mamahak area coal.

The exploration results set out in this ASX announcement are based on the reports of SouthGobi Energy Resources Ltd, having been reviewed by the Company's Competent Person (Mr Jerko Zuvella). KRL has access to these reports under permission from SouthGobi Energy Resources Ltd.

ENDS

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DISCLAIMER: The information concerning production targets in this announcement are not intended to be forecasts. They are internally generated goals set by the board of directors of KRL. The ability of the company to achieve these targets will be largely determined by the company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into off take arrangements with reputable third parties.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jerko Zuvella, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Zuvella is an employee of the Company and 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 Mineral Resources and Ore Reserves (the JORC Code)." Mr Zuvella consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

ABOUT KANGAROO RESOURCES

Kangaroo Resources Limited (ASX: KRL) is an emerging international mining Company with eight advanced coal projects in the East Kalimantan region of Indonesia.

The Company's projects host significant coking and thermal coal resources which will see KRL emerge as a significant Indonesian coal producer, with first production due to commence in December 2009.



KRL is committed to building a sustainable mid-tier mining house, focusing on Indonesian coal and using the considerable experience and expertise of its exceptional in-country partners to fast track development and production.

The Company's medium term strategy entails vending in valuable new coal projects, while at the same time continuing to work towards production in the short term from at least two existing projects. The Company is targeting up to 1-2 million tonnes production in 2010, ramping up progressively thereafter to ultimately achieve up to +10 million tonnes coal per annum from operations within three years.

Appendix 1: Project Location Map – East Kalimantan, Indonesia

