



BLACKHAM

RESOURCES LIMITED

ABN 18 119 887 606

ASX ANNOUNCEMENT 16 July 2008

SCADDAN RESOURCE CONFIRMED

- **Runge Limited confirms Resource of 700 million tonnes of Brown Coal, estimated in accordance with the JORC Code.**
- **An additional 200 to 300 million tonnes of Inventory Coal**
- **Amenable to large scale open cut mining methods**

Blackham Resources Ltd and Wesfarmers Premier Coal Limited, under the JV agreement, 70% and 30% interests respectively, of the Scaddan Energy Project commissioned Runge Limited to review the Scaddan lignite (brown coal) deposit. The Scaddan lignite deposit is located approximately 60 kilometres north of the town and port of Esperance in Western Australia. The Project is also less than 7km from Esperance Kalgoorlie highway and railway line.

Runge Limited (Runge) is an internationally respected global consulting company providing resource and mining consulting services and software for over 30 years. Runge was engaged by the Scaddan Energy JV to review the borehole data for the Scaddan lignite deposit and provide a resource statement in accordance with the JORC¹ reporting standards.

Summary of Resources

Resource Category	Tonnes (million)	% of Resource
Indicated	310	44%
Inferred	390	56%
Total	700	100%

The resource estimate is on a 60% moisture basis and an approximate relative density of 1.2. No thickness or quality cut-offs were applied to the deposit due to the range of ash values being within the required definition of lignite and the deposit having reasonable prospects for eventual economic extraction as outlined in the Australian "Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves".

Cored holes with valid analysis were used to calculate the average proximate analysis of the resource tabled below.

SCADDAN LIGNITE PROXIMATE ANALYSIS	
(60% Moisture Base)	
Ash %	12.9
Volatile %	15.9
Fixed Carbon %	11.2
Total Sulphur %	1.8
Specific Energy MJ/kg	7.2

On a 60% moisture basis as previously announced the lignite has a NaCl (salt) content of 6.3%. As part of the next drilling programme samples will be collected for ultimate analysis including salt content. The drill samples from this programme will also be sent for drying and gasification testing.

An estimate of Inventory coal was also prepared totalling an additional 200 to 300 million tonnes. This inventory has not had sufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

The current estimate compares favourably with the previously reported resource by Wesfarmers Premier Coal Limited of 668 million tonnes and 187 million tonnes of coal inventory.

Exploration drilling, to find and define the lignite deposit at Scaddan, required a total of 1,413 boreholes, 201 of which were diamond cored and 1,212 drilled as open holes. Runge has outlined locations of additional drilling on the Indicated resource to ensure drill hole spacing is within 500m as required under the "Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves" to potentially upgrade the area to a Measured status. Drilling of several quality holes of a spacing of no less than 2,000m should readily convert the Inventory area to an Inferred resource as there is reasonable confidence in the structural continuity of the lignite from previous drill holes.

Based on the depth and thickness of the resource the deposit would be suitable for extraction by open cut methods as it lies at depths generally between 25 and 30 meters with an average cumulative coal thickness of 8 meters. The shallow depth and generally unconsolidated sediments overlaying the seam makes the deposit amenable to large scale open pit mining methods.

For further information on Blackham please contact:

Bryan Dixon
Managing Director
Blackham Resources Limited
Office: +618 9388 2967

Statement of JORC Compliance

The estimate of Coal Resources for the Scaddan Project areas as presented in this announcement have been carried out in accordance with the Guidelines of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia, December 2004.

The information in this announcement to which this statement is attached, that relates to the Scaddan Project Coal Resources, is based on information reviewed by Ms Merryl Peterson and Mr Andrew Curd. Ms Peterson and Mr Curd are full time employees of Runge Limited. Ms Peterson is a member of the Australasian Institute of Mining and Metallurgy. Mr Curd has reviewed the geological data, including drillhole location, lithology and quality, and has constructed the geological model, and estimated the resources. Ms Peterson supervised the review of the geological data, construction of the geological model, and the estimation of the resources, and reviewed the modelling and resource estimation procedures.

Ms Peterson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves.

Ms Peterson is signing off as the Competent Person for this statement. She consents to the inclusion in the announcement of the matters based on this information in the form and context in which is appears.

Merryl Peterson B.Sc.Geol.Hons M.Sc.Env.Sc.MAusIMM

1 The JORC Code – "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the Joint Ore Reserves Committee of the AusIMM AIG and MCA, December 2004.

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