

18 October 2007

## ASX ANNOUNCEMENT

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### TABALONG COAL PROJECT ADVANCES TO RESOURCE DRILLING STAGE

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- Haddington has scheduled resource drilling to commence at its Tabalong Coal Project in South Kalimantan.
  - Three geological teams have carried out extensive mapping and sampling throughout one of the two KPs and commenced work on the second.
  - Additional coal outcrops have been identified and targets established for drilling.
  - Outcrop sampling has confirmed high calorific values with potential to produce high quality thermal product.
  - Two drill rigs contracted to commence drilling before month's end.
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Diversified resources company Haddington Resources (**ASX:HDN**) expects to commence drilling at its Tabalong Coal Project within two weeks.

The Tabalong Coal Project in South Kalimantan, Indonesia, was added to Haddington's existing portfolio of exploration tenements through its recent acquisition of Minvest International Corporation.

The Tabalong Coal Project comprises two KPs located in the coal bearing areas of the Tanjung Formation in the province of South Kalimantan.

The two adjacent KPs cover an area of 63 km<sup>2</sup> and are located in the Tabalong district (see attached map). This region of Kalimantan has been the focus of intense exploration for coal, resulting in numerous occurrences of high grade coking coal products as well as high energy thermal coals, both of which can attract premium market prices.

The region supports a number of coal mining and exploration areas, the most prominent being Adaro Indonesia which produces some 35MT per year of low energy thermal coal. Interex Sacra Raya and Kideco are producing mines to the east of the leases and Marunda Graha Minerals to the northwest. The nearby project of Multi Tambangjaya Utama is in the final stages of feasibility while the Anugerah Group operations located to the immediate west have been producing and are undergoing further production evaluation options.

#### Exploration Status

The Company has been actively progressing exploration of the Tabalong Coal Project. Three geological teams have been conducting on site outcrop confirmation,

mapping and sampling on the southern KP (PT SCC) and the southern boundary of the northern KP (PT SPK).

Over 40 new coal outcrops have been located and 17 coal outcrops identified in previous exploration work have been confirmed.

A stratigraphic drilling program is planned to commence before the end of the month, utilising 2 core rigs from Minvest subsidiary Asiadrill. The program will be designed to quantify the geometry and extent of the coal seams, including a core program to determine consistency of coal quality, and will be capable of providing sufficient data to determine a resource.

Recent geological interpretation shows 2 separate coal horizons extending along strike, the entire length of the KP areas. Each of these horizons contains several separate groups of seams. The coal horizons are split by a sandstone sequence that has also been mapped. Structural influences such as faulting are possibly separating the coal sequences. The area initially mapped within PT SCC is approximately 4 km along strike and 1 km across dip.

### Coal Quality

5 outcrop samples were collected and dispatched to the Geoservices laboratory in Balikpapan for analysis.

The sample analytical results have principally confirmed earlier exploration results of a high calorific, low ash and medium to high sulphur coal type for this part of the PT SCC lease. Energy values are very high, ranging between 6,500 and 7,500 kcals/kg (adb), and indicating a high grade thermal product. Preliminary crucible swelling number (CSN) results have indicated there is some swelling and the fresh drill core samples from the proposed drilling will be analysed to provide more definitive indications.

Moisture and ash are both low and hence attractive. Sulphur is moderate to high, however, the high energy, low moisture and low ash characteristics of the coal may offset the sulphur content when buyers are sought.

#### Coal Quality Parameter (air dried basis)

Calorific Value (kcal/kg)	6,447 – 7,479
Total Sulphur %	0.58 – 2.22
Total Moisture %	9.5 – 17.1
Inherent Moisture %	5.8 – 11.6
Ash %	1.6 – 4.0
Fixed Carbon %	47.4 – 49.2
Volatile Matter %	39.4 – 43.3

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
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*The information in this report that relates to Exploration Results is based on information compiled by David Mason who is a Fellow of the Australian Institute of Mining and Metallurgy. David Mason is a fulltime employee of Haddington Resources Limited. David Mason 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 Exploration Results, Mineral Resources and Ore Reserves'. David Mason consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*