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Coal & Allied Industries Limited has entered into an agreement with Aston Resources Pty Limited to sell its undeveloped Maules Creek Coal Project in the Gunnedah Basin.

Consideration for the transaction is AU\$480 million in cash. Coal & Allied will report an after tax profit from this transaction of approximately AU\$340 million. Coal & Allied will consider how best to apply the proceeds of this transaction and will provide further information once the transaction has been completed, which is anticipated to occur in early 2010.

Completion of the transaction remains subject to customary closing conditions, including regulatory approvals.

The Maules Creek Coal Project is a large open cut coal resource of 398 million tonnes located in the Gunnedah Basin on mining tenements owned by Coal & Allied Industries Limited.

Coal & Allied Managing Director Bill Champion said: "The Maules Creek Coal Project did not form part of Coal & Allied's short term or medium term development plans."

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