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Company	Asia Energy PLC
TIDM	AEN
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PRESS RELEASE

21 December 2006

Asia Energy plc acquires 15% of current share capital of GVM Metals Limited

For immediate release: Asia Energy Plc (“Asia Energy” or “the Company”) (AIM: AEN) announces it has acquired 12,200,000 new ordinary shares in GVM Metals Limited (“GVM”), a South African mineral processing and coal mining company, by way of a subscription at 20 pence per share, for a total £2,440,000. The Board of GVM has invited Steve Bywater to become Non-Executive Deputy Chairman and Graham Taggart to be a Non-Executive Director. Following the subscription, Asia Energy will own 13% of enlarged share capital of GVM.

The investment provides the Company with a meaningful stake in the South African coal sector opportunity to assist development of an underground coal mine (Holfontein project) and two open-cut coal mines (Limpopo and Baobab projects) in South Africa. The Holfontein project is located in the Witbank coal fields and the Baobab and Limpopo projects are located in the Limpopo province. Based on previous work undertaken by Utah Mining, Kumba and others the total coal resources controlled by GVM are considered to approach 2 billion tonnes.

GVM’s primary listing is on the Australian Stock Exchange (ASX) with secondary listings on London’s Alternative Investment Market (AIM) and the Johannesburg Stock Exchange (JSE).

As a result of two recently announced transactions, GVM will hold on satisfaction of all conditions precedent a 100% interest in both the Baobab and Holfontein coal projects.

On 22 August 2006, GVM announced the acquisition from Motjoli Resources (Proprietary) Limited (“Motjoli”) of its 51% shareholding in the Holfontein Project, its 50% interest in the Baobab Project, and its 100% interest in three prospecting licences adjacent to the Baobab properties.

Yesterday GVM announced it had reached agreement with Petmin Limited (“Petmin”) for GVM to acquire Petmin’s effective 50% interest in Baobab for GBP 2.5 million.

GVM plans to bring the Holfontein mine into production in the first half of 2008. A bankable feasibility study on the Limpopo and Baobab Projects is expected to be completed by December 2007 with coal production expected in the first half of 2009. All GVM’s mining and prospecting interests are held as New Order rights.

As a result of the Motjoli transaction GVM will qualify as black empowered under the relevant South

African legislation.

GVM also holds 100% of NiMag (Proprietary) Limited (“Nimag”), an alloy and fibre manufacturer based in Magaliesburg near Johannesburg in South Africa. Nimag supplies approximately 40% of world demand for nickel magnesium ferro-alloys.

Further details of the above transactions and description of the assets are available on G (www.gvm.com.au).

Steve Bywater Chief Executive of the Company said: “This is an exciting opportunity for Asia Energy as it looks to expand its portfolio of investments in coal on a global basis. This transaction provides a platform for the Company to be involved in new and developing coal projects with GVM, who have a strong management team. The Company remains, however, fully committed to its Phulbari Coal Project in Bangladesh and we will update the market on its status as soon as we are able.”

Simon Farrell, Managing director of GVM said: “We are delighted to work with Asia Energy bringing our diverse coal interests into production. Steve Bywater brings enormous experience in operating world class coal and iron ore mines and I look forward to his help in what is going to be a very exciting and challenging period of the company’s growth”.

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Notes to editors:

Asia Energy:

Asia Energy plc is a London based company quoted on the London Stock Exchange’s Alternative Investment Market (AIM). The Company’s primary activity is the development of the Phulbari Coal Project in Northwest Bangladesh into a world class open pit mine, adhering to the highest national and international environmental and social standards. The mine will have a life of more than 30 years and at full capacity will produce 15 million tonnes a year of mostly export quality metallurgical and thermal coal. Its objective is to start mining activity upon Government of Bangladesh approval following the Government election in January 2007.

For further information on the Company: www.asia-energy.com

GVM Metals:

GVM Metals Limited listed on the Australian Stock Exchange in April 1980 and was primarily focused minerals exploration in Western Australia and Indonesia. Through a series of strategic investments, GVM moved its focus to a metals processing and coal processing company predominantly targeting South Africa. The company successfully listed on Aim in 2005 and also on the Johannesburg Stock Exchange in November 2006.

For further information on the Company: www.gvm.com.au

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