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Environmental & Drilling Approval Received
Drill Rig & Exploration Camp Mobilised
Nuurst Coal Project, Mongolia

The Directors of TVN Corporation Limited are pleased to confirm that the Company has received the requisite governmental approvals required to begin drilling at its Nuurst Thermal Coal Project, Mongolia.

With the exploration & environmental plans approved, as well as water access granted, the Company has requested the Company's drilling contractor to begin mobilisation of the drill rig and exploration field camp.

The rig is being mobilised from Ulaanbataar, some 120 km north of the Nuurst project, by sealed road. Assuming no unforeseen circumstances, the Company expects drilling to commence before the end of next week.

The drill programme has been designed, initially, as a due diligence programme to confirm previous drilling results produced by earlier Russian exploration programmes. It is planned that the rig will remain onsite to drill-out the south-western portion of the deposit to JORC reportable resource status. It is anticipated that the drill-out of the south western portion of the deposit will be completed during the drilling season prior to the onset of the northern hemisphere winter in November 2011.

Deal Pipeline and Ability to operate in Mongolia

The Company has been operating within Mongolia since 4Q2010. Its management team has developed relationships with local contractors and suppliers so that it has the tools in place to rapidly assess and exploit opportunities when presented.

The TVN team continues to review a live pipeline of thermal and coking coal opportunities.

Chris Mardon
Exec. Director TVN Corp. Ltd.

The Nuurst Thermal Coal Project - Background

On Friday, 24 June 2001, the Company announced it had entered into an exclusive option agreement to purchase the Nuurst Thermal Coal Exploration Project in central Mongolia.

Key Points

- **Attractive Deposit with Significant Exploration Potential:** The Nuurst licence is a large exploration licence covering known coal mineralization on a larger coal deposit (Tsaidam). Following a review of available historical data, Nuurst has an exploration target of:

50 to 100 million tonnes thermal coal, Calorific value range Q^{daf} 6200 to 6800 kcal/kg¹

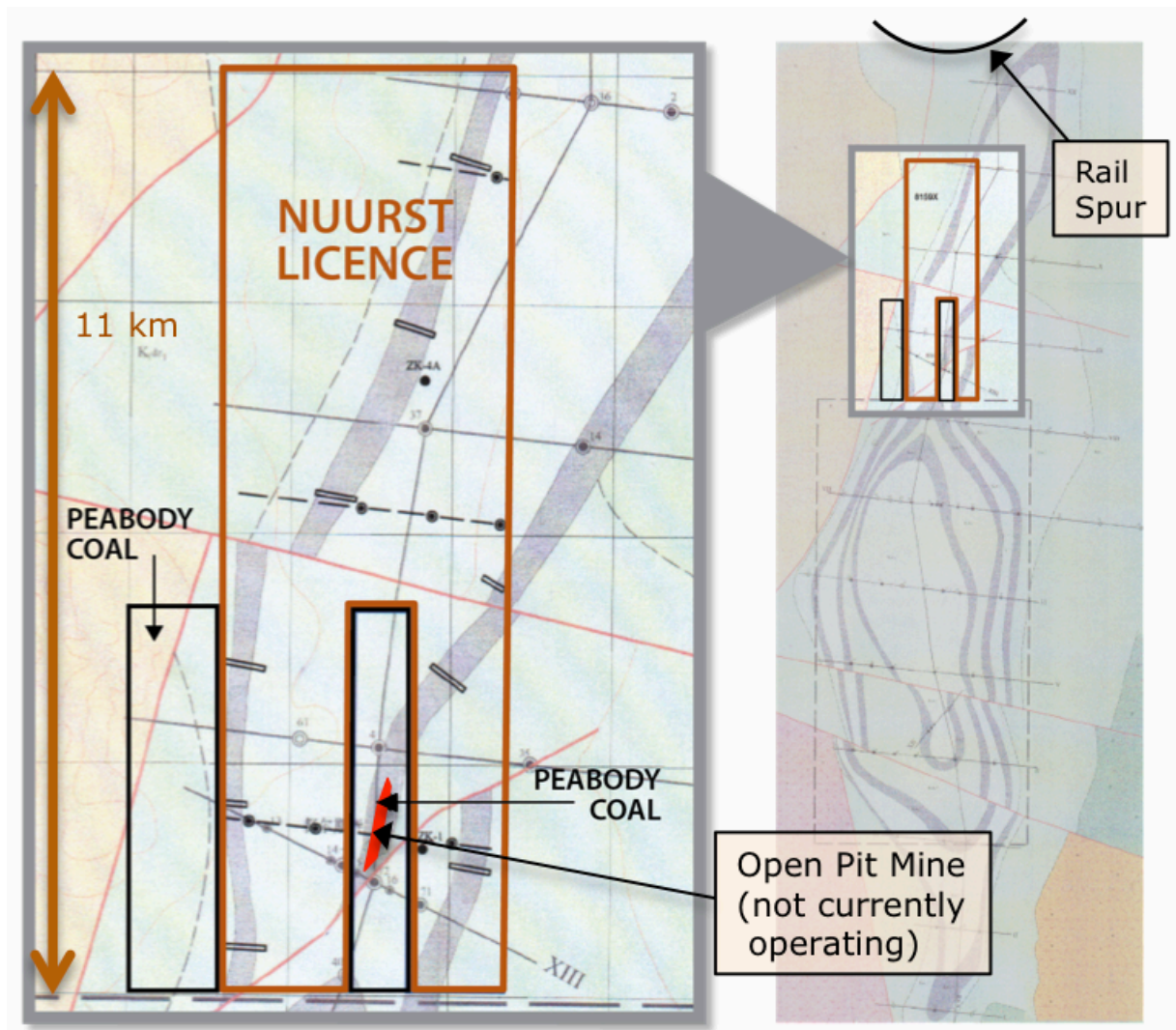
- **Strong Infrastructure Characteristics:** The deposit is 120kms south of Mongolia's capital, Ulaanbaatar in an area with a number of operating coal mines. It is 6 kms from existing rail infrastructure providing low cost transport access to the key markets of China, South Korea and Japan. The licence is located adjacent to two of Peabody Resources licenses which are being actively explored.
- **Low Risk Transaction Structure and Development Profile:** The transaction has been structured as an option to acquire the Nuurst coal deposit following completion of a 3 month drilling and due diligence program. Drilling will commence as soon as local approvals have been received with an initial focus on extending and confirming historical drilling results. The purchase price (prior to additional investment in drilling) equates to 3 cents/ tonne (based on the low end of the exploration target).
- **Local Execution Capability:** Local Mongolian infrastructure has been established including consulting geologists and business advisors (legal and financial). Drilling equipment and experienced drill crews have been mobilised to commence due diligence drilling and proceed to defining a JORC compliant resource.

Nuurst Project

The Nuurst Project (8159X) is a 3,451 ha exploration licence covering the northern end of the greater Tsaidam coal deposit. Historical exploration work has identified that the Nuurst licence covers 11 km strike length of coal bearing strata. Drilling and past mining activities in the area suggest a significant area of coal mineralization may exist on the licence. It is TVN's intention to confirm this mineralisation through drilling, mapping and exploration of the licence area.

On either side of the southern end of the Nuurst licence Peabody Resources are actively exploring their tenements. An existing open pit mine (not currently operating) on Peabody's internal tenement clearly demonstrates the presence of coal in the adjacent area.

¹ The tonnage and quality expressed above is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The exploration target was calculated by considering a seam of 8 metres thick, with an SG of 1.3 t/m³ over an area of 7,200,000 m²



Nuurst Project Licence, showing projected seam outcrop and adjoining leases. The Nuurst deposit is part of the Tsaidam coal basin.

Environmental and drilling approvals have been received to commence drilling and drill rigs (previously on standby) have now been mobilized to commence a drill program at Nuurst.

Competent Person Statement

The information in this announcement that related to exploration results is based on information obtained from the mining license application presented to the Mineral Resources Council of Mongolia (not based on a JORC standard), "Exploration report on results carried out in 2002 at Dovtsog, part of Tugrug Nuur coal deposit", compiled by Mr Baatar.Ch and reviewed by Mr Geoff Richards of Lionhart Consulting Services, Western Australia. Mr Richards is a member of the Australian Institute of Geologists and has sufficient experience which is relevant to the style of mineralization 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in form and context in which it appears.