

19 August 2011

URBAN AREAS OFF LIMITS TO MINING EXPLORATION – MINIMAL IMPACT TO QBL OPERATIONS

On the 15th August 2011 the Premier and Minister for Reconstruction The Honourable Anna Bligh and the Employment, Skills and Mining Minister The Honourable Stirling Hinchliffe issued a joint statement saying:

"No mining exploration will be allowed in and around urban areas of Queensland, including regional centres such as Ipswich, Toowoomba, Beaudesert, Rockhampton, Mackay and St George and an exploration Restricted Area would be declared over land bounded by the South East Queensland Regional Plan as well as other regional centres and towns with a population of 1,000 after a new policy was considered by Cabinet.

The restriction will cover existing exploration permits as well as future permits in these areas and means there will be no more exploration activity on urban land or within a two kilometre buffer of urban land. Ms Bligh said the Government would take feedback on the draft legislation to enshrine the changes which are expected to be in place later this year.

The legislation preventing development in urban areas will be in place later this year but companies that want to relinquish the relevant sub-blocks of their tenure before then will have an incentive to do so. Companies that voluntarily relinquish tenure now will have it accredited towards their next relinquishment obligations.

The buffer zones that will impact QBL's operation are planned to be placed around Toowoomba, Childers, Innisfail, Gayndah, Wondai, Kingaroy, Murgon, Mareeba and Atherton. In total the buffer zones will account for <1% of the total combined project areas with a high percentage of the buffer zones outside QBL Projects.

The affected areas are not the primary focus of our current drilling campaigns, nor are they considered primary target exploration locations.

QBL will monitor the progress of the legislation and will continue to maintain dialogue with the Queensland Government to determine those blocks that will likely be affected by proposed future drop-off requirements for portions of the project within 2km of urban areas, to ensure the long term protection of QBL's interests.

About Queensland Bauxite Limited

Queensland Bauxite Limited holds in excess of 7,180 km² of bauxite prospective terrain in Queensland, Australia. The Company is focused on defining significant bauxite resources with a view to commencing direct shipping ore (DSO) bauxite mining and export operations in the near-term.

QBL believes the East Australian Bauxite Province (stretching from Far North Queensland to New South Wales) has been considerably under-explored and has the potential to become a world-class bauxite province.

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QBL is one of the few companies offering exposure to the bauxite industry, currently characterised by rapidly growing international demand. QBL is targeting long-life DSO operations, and believes it has positioned itself before the predicted rise in bauxite prices.

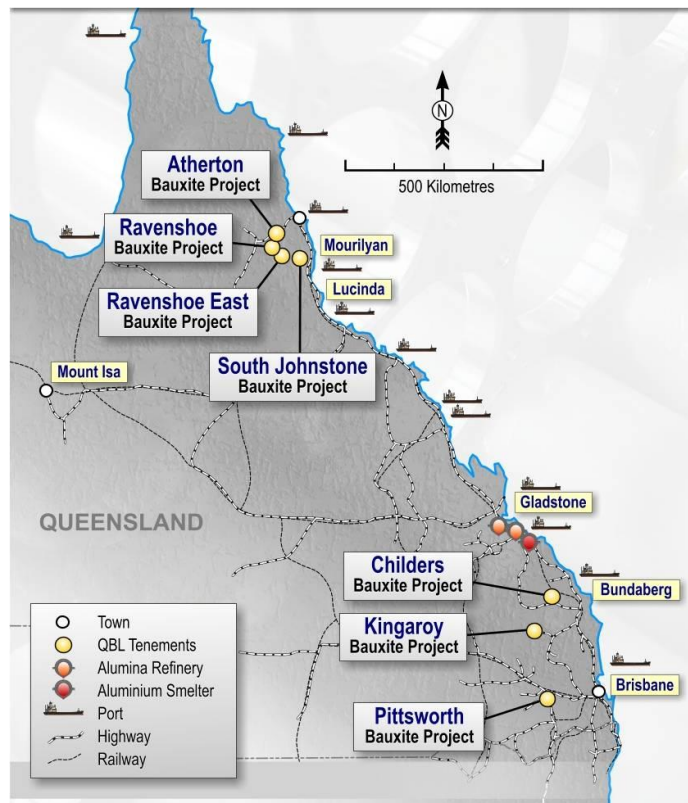
For further information please visit the company's website at www.queenslandbauxite.com.au or contact:

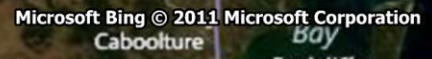
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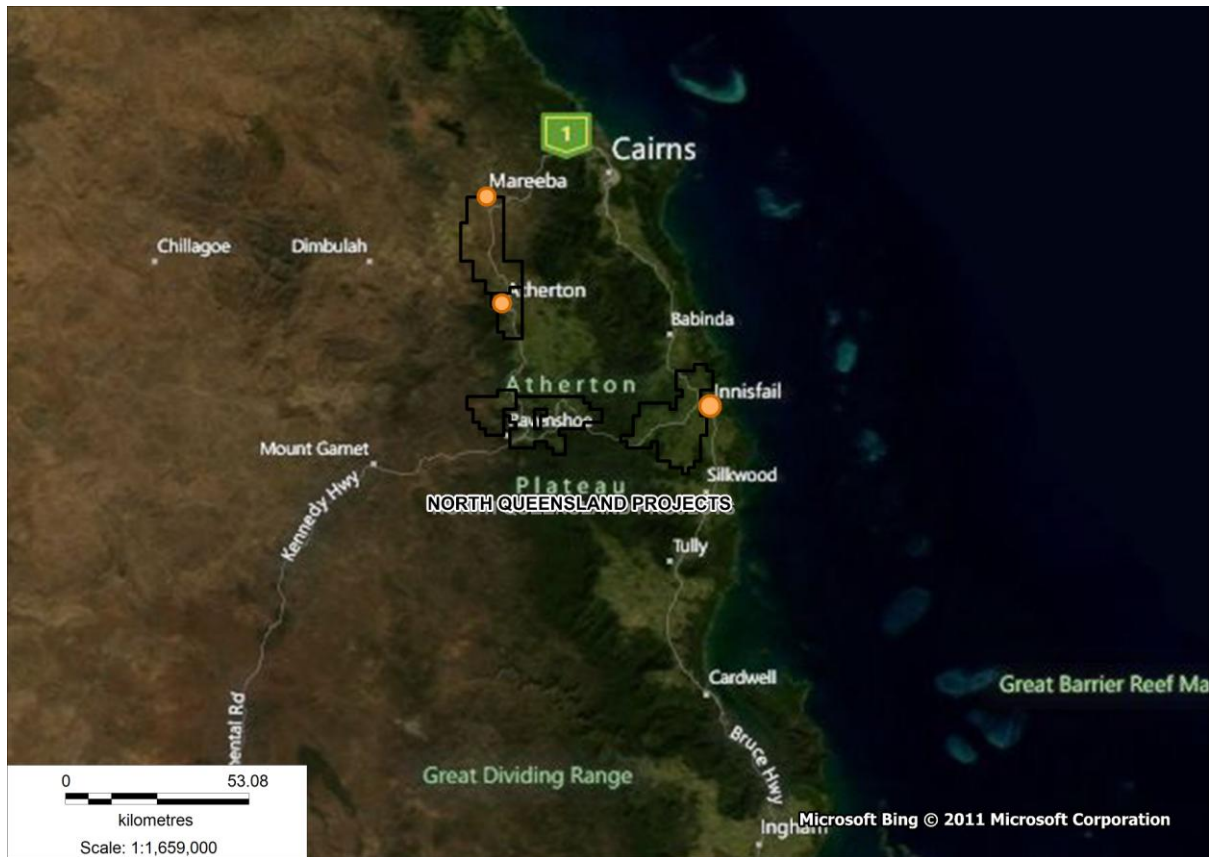
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based" on information compiled by Mr Mark Derriman (BAppSC Hons, MAppSc, MBA). Mr Derriman is a member of the Australian Institute of Geoscientists. Mr Mark Derriman is a full time employee of QBL. Mr Mark Derriman 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 and to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources or Ore Reserves".

Mr Mark Derriman consent to the inclusion in the report of the matters based on their information in the form and appears. context in which it

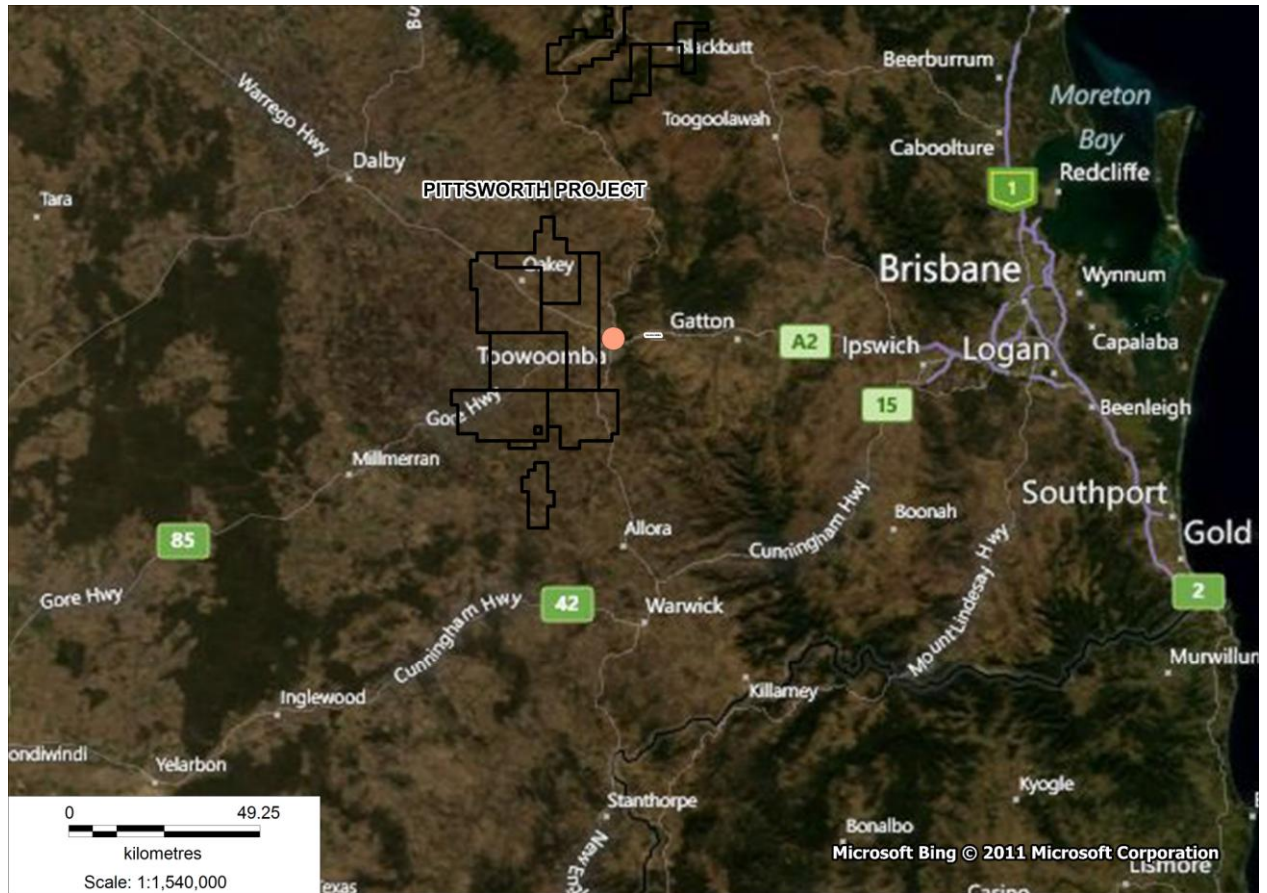




Kingaroy-Childers Project showing 2km buffer zones around major regional population centres



South Johnstone, Atherton and Ravenshoe Projects showing 2km buffer zones around major regional population centres. On the South Johnstone project - Only the area around Innisfail will be excluded and again a very minor impact on the South Johnstone tenement with the main target areas not affected at all.



Pittsworth Project area South Queensland, again negligible impact on the project area.