Narhex Life Sciences Ltd

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Company Announcements Office
Australian Securities Exchange
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sir

Extension of Option to Acquire Coal Tenements

As announced to ASX on 19 May 2011, Narhex Life Sciences Limited ("**Narhex**" or the "**Company**") entered into an Option Agreement with Subiaco Capital Pty Ltd ("**Vendor**") to acquire key tenements in the Mulgildie Basin, the northern extension of the Surat Basin, in Queensland.

This option was extended until 31 December 2011, as announced to the ASX on 29 July 2011.

The Board of Narhex wishes to further advise that the parties have entered into a Deed of Variation, extending the Option Period from 31 December 2011 to 30 June 2012.

The Vendor has agreed to grant the 6 month extension of the option in exchange for a payment of $50,000 (the "**Extension Fee**") which is to comprise part of the ultimate purchase price if that option is exercised before 30 June 2012. If the Company chooses not to exercise this option then the Vendors will refund the Extension Fee. The repayment of the Extension Fee will be secured.

The Option Agreement is subject to regulatory approvals, including but not limited to, ministerial and shareholder approvals to complete the acquisition.

The Company continues to review the region and the Tenements as a precursor to determining whether it wishes to exercise the Option. If the Option is exercised the total consideration payable by the Company is $2 million, payable by a combination to be determined of cash (up to a maximum amount of $1 million) and shares in the Company (up to 100 million shares at a price of $0.02 per share).

Yours faithfully

Simon Lill
Director
Narhex Life Sciences Limited