

TIARO COAL LIMITED

ABN 86 127 936 412

ASX ANNOUNCEMENT

28 April 2008

TIARO COAL ANNOUNCES A COAL EXPLORATION TENEMENTS ACQUISITION AGREEMENT WITH DYNASTY METALS TO EXPLORE FOR COAL IN SOUTH EAST QUEENSLAND

Tiaro Coal Limited ("Tiaro") (ASX:TCM) and Dynasty Metals Australia Limited ("Dynasty") (ASX:DMA) are pleased to announce the signing of an agreement to permit Dynasty to farm into two Exploration Permits for Coal (EPC) held by Tiaro Coal Joint Venture ("TCJV").

Tiaro through wholly owned subsidiary Tiaro Energy Corporation Pty Limited ("TEC"):-

- Holds a one third interest in TCJV
- Is the Manager of the Joint Venture
- Is earning an interest of 80% by sole contribution of \$5,000,000 to exploration funding

TCJV holds Exploration Permit for Coal (EPC) 956, 957, 967 and 972 as well as EPC Application 1151.

These EPCs and EPCA cover most of the known exposures of the Tiaro Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland (see Figure 1).

Under the agreement Dynasty will have the right to acquire up to 51% interest of TEC interest in each of EPC 956 and EPC 957.

The exercise of all rights under the heads of agreement will provide additional sole exploration expenditure of \$2,500,000 by Dynasty within EPC 956 and/or 957.

This expenditure will be considered as contribution towards \$5,000,000 to earn 80% interest in TCJV referred to earlier.

The principal terms of the agreement to acquire a farm in interest for EPC 956 and EPC 957 are:-

1. Stage 1: Dynasty to provide initial contribution of \$750,000 towards exploration expenditure in EPC 956 and EPC957.
2. Stage 2: Dynasty at its election and by sole contribution of the next \$750,000 towards exploration expenditure will earn an initial 15% interest in both of EPC 956 and EPC 957.
3. Stage 3: Dynasty at its election within eighteen months of signing the agreement and by sole contribution of the next \$1,000,000 towards exploration expenditure will earn an additional interest of 15% for a total interest of 30% in each of EPC 956 and EPC 957.

4. Within twelve months of earning a 30% interest in EPC 956 and EPC 957 or with the identification of a coal resource as defined by JORC Code exceeding 10 million tonne Dynasty may elect to increase its interest in each of the two EPCs' by an additional 21% by payment of \$2,500,000.

Following this payment to TEC, Dynasty's total interest in each of EPC 956 and EPC 957 will be 51% respectively.

5. Dynasty has been provided a right of first refusal to participate in other coal exploration interests on TEC in the Maryborough Basin.
6. TEC will be the manager of an Offshoot Farm in Agreement and re-stated Joint Venture Agreement for EPC 956 and EPC 957.
7. TEC undertakes to obtain the prior consent and agreement of Jandale Holdings Pty Limited and Core Coal (Qld) Pty Limited the other joint venture participants in TCJV through changes caused in existing agreements as they are impacted by this agreement with Dynasty.

The TCJV was formed in 2005 to undertake exploration in the Tiaro Coal Measures on the basis of wide ranged scout drilling to identify the existence of an economic coal mineralization.

To date 53 holes (50 open holes and 3 diamond holes) have been completed for a total of approximately 5000 metres (average depth of a hole is 94 metres). Figure 2 below shows the location of the drilling to date.

Coal intersections were made in several holes.

The exploration tenements are well serviced by nearby infrastructure, including manpower, mining support services, road, rail and port facilities.

The Tiaro exploration tenements are located approximately 250km from Gladstone coal terminal by rail and approximately 200 km from the Brisbane terminal. The rail line bisects the exploration tenements.

For further information please contact:

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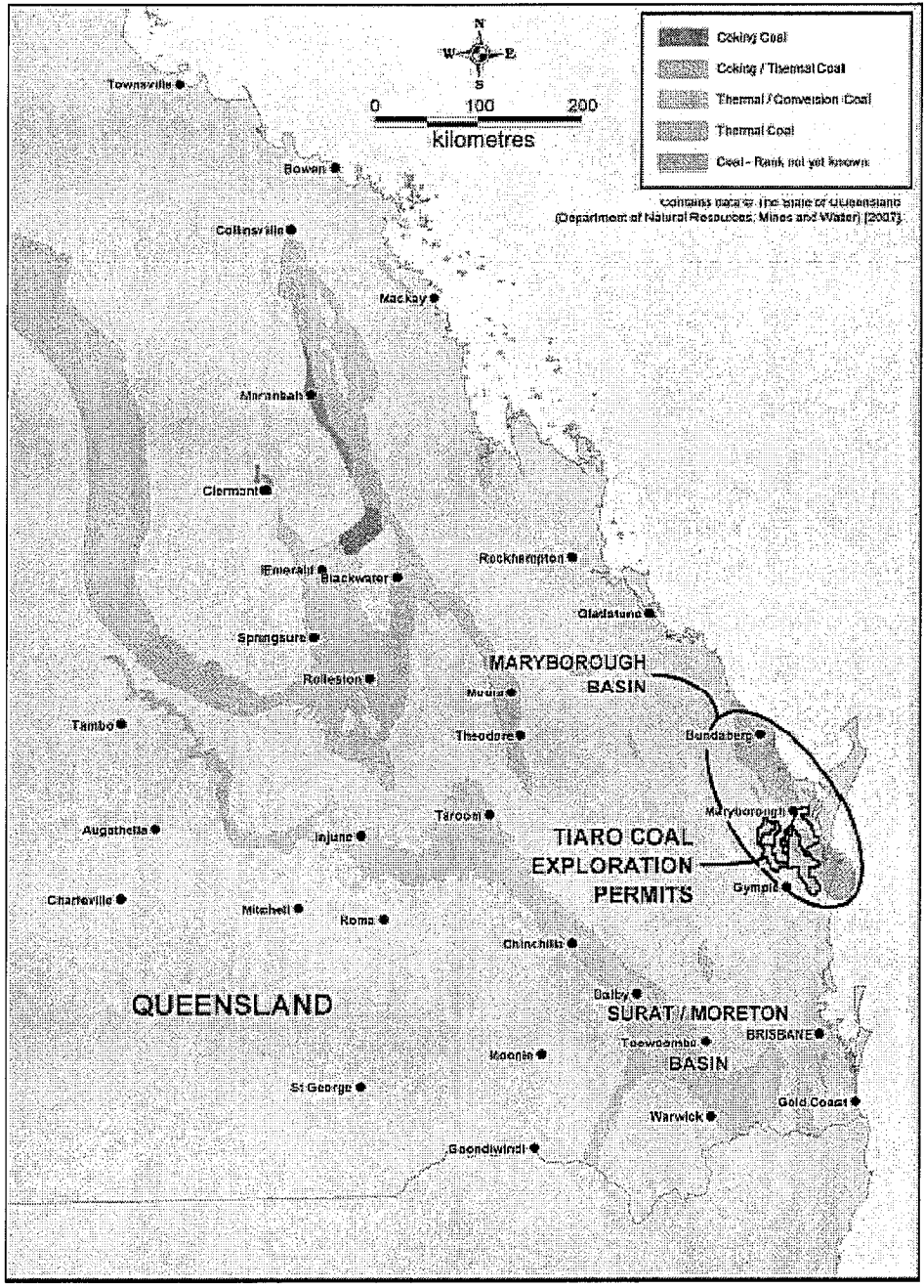


Figure One

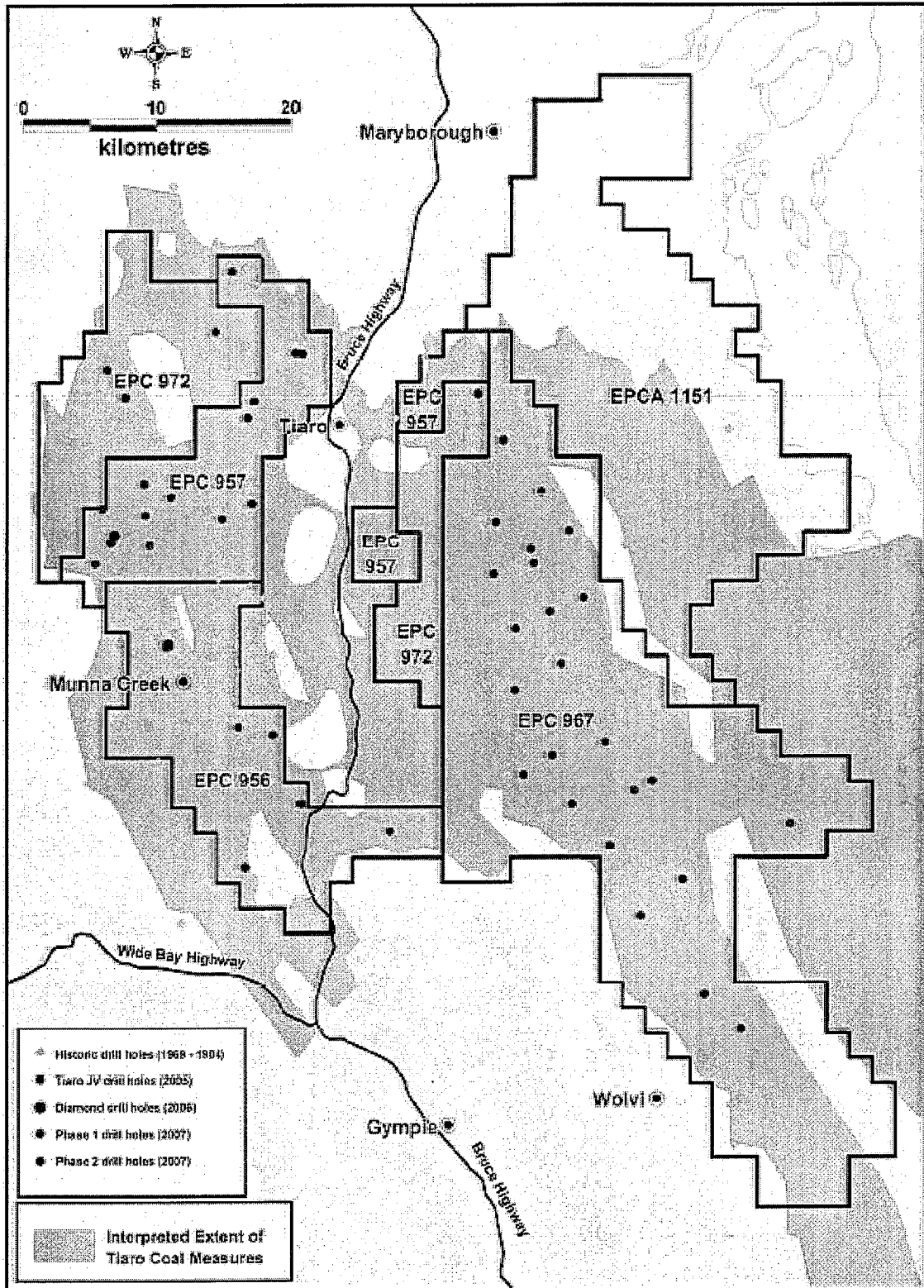


Figure Two