



30 November 2011

## **FURTHER INFORMATION ON NEW VENTURE WITH JIANGSU DATANG INTERNATIONAL JINTAN IN CHINA**

Ausmon Resources Limited ("Ausmon") advises the following additional information on the new venture following enquiries on yesterday's announcement.

The agreement sets out the framework for the parties to develop the Project with no material financial commitments by Ausmon at this stage and is subject to a condition precedent to be achieved before proceeding to a transaction. Progression of implementation of the agreement will be subject to ASX's consideration of applicable Listing Rules, including Listing Rule 11.1.

The condition precedent is securing supply of gas for the Project under applicable quotas in China. Ausmon has responsibility for this task and will be carried by executives of Ausmon based on their business relationships in China. No material costs are expected to be incurred at this stage by Ausmon.

Upon achieving the milestone, Ausmon and Jiangsu will proceed with setting up a joint venture for the phase 2 of the power plant of 800 MW with Ausmon as a minority partner, the percentage interest of and amount of investment by Ausmon is yet to be determined and agreed.. The phase 1 of the power plant will be 400 MW to be owned and funded by Jiangsu. The eventual total size of the plant will be 1,200 MW and not 1,000 MW as reported yesterday.

For the construction and operation of the natural gas pipeline to feed the power plant, Ausmon has entitlement to be the majority partner. However, at this early stage the percentage of interest of Ausmon has not been determined and is yet to be agreed. The size and routing of the pipeline is not known as it will be subject to studies yet to be carried out and the point of connection with the main pipeline of the supplier. The source of funding for the investment in the plant and pipeline by Ausmon is also yet to be determined.

The carrying out of studies, approval procedures and other processes to implement the Project rests with Jiangsu as they have the local know-how for that.

There is no timetable for the transaction other than that the agreement has a life of 2 years and each party is to use its best endeavours to promote the Project so that a transaction can be implemented.

Jiangsu, its related parties or associates are not related parties or associates of Ausmon and do not hold a relevant interest in any issued securities of Ausmon as at today.

Ausmon is continuing its current activities and making expenditure in exploration within its licences in NSW. Ausmon will also continue to look for new business opportunities to create value for its shareholders.

**John Wang, Director/Secretary**

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