



Discovery of Shallow High Quality PCI Coal at Dingo

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Highlights

- Two hole scout drilling program intercepts shallow coal at Dingo project after detailed review of historic data
- Over 4.9m of cumulative coal intercepted to 79m depth, with 3m of cumulative coal at <48m depth
- Initial testing indicates low ash, Ultra-Low Volatile Pulverized Injection Coal (PCI) of export quality
- In close proximity to the Blackwater rail system to Port of Gladstone

Project Overview

Blackwood Corporation Limited ("Blackwood" or "the company") is pleased to announce that it has completed a scout drilling program at its 100% owned "Dingo" Project, located in the South-East Bowen Basin. The project is divided into two parts, with EPC 1562 in the east consisting of 4 sub-blocks, and EPC 1535 in the west consisting of 20 sub-blocks (Figure 1). The project is less than 15km from the Blackwater rail system that currently transports coal to the Port of Gladstone (circa 250km). The project is approximately 15km south of the township of Dingo, and is also serviced in close range by the Capricorn Highway.

CEO Commentary

Chief Executive Officer of Blackwood, Todd Harrington, said the announcement was a positive step forward in Blackwood's development. "Dingo provides our portfolio with a potential high quality, open cut, PCI coal project. The intersections are at shallow depths and within the infrastructure catchment area of the Blackwater/Gladstone system," he said.

"We undertook this scout program with the intention of confirming the presence and quality of coal within our project after encouragement from a detailed review of the historic data, and we will be building on the program with the aim of identifying a JORC compliant resource in Quarter four of 2013" he said.

Mr Harrington added that despite the relatively small size of the Project area, the Project has plenty of potential. "We've recently seen the industry focus on smaller tonnage business cases of lower capital intensity, especially involving high value coals. Some of these have been progressed on a single sub-block basis. The Dingo Project consists of 24 sub-blocks, giving us multiple chances of producing a similar result."

Mr Harrington also underscored the importance of a secondary prospect to the company's flagship South Pentland project. "Dingo provides the company with another excellent opportunity to establish development projects within our portfolio," he said. "Blackwood now has two encouraging development projects, both in close proximity to existing infrastructure with a diverse possible product mix, allowing us to focus our efforts on delivering maximum value for shareholders."

Program Overview

The scout drilling program at the Dingo Project (EPC 1562) was designed to identify the presence and quality of potential PCI coal mineralisation located within the tenure. A historical interception of coal was noted in the northern portion of EPC 1562, however no coal quality data was available. Regional 2D seismic was processed and correlated, showing encouraging signs of sub-cropping coal measures throughout most of EPC 1562.

The drilling campaign consisted of two holes, encountering thick cumulative coal intersections of 4.9 metres to a depth of 76 metres (Figure 2), with further coal identified at a greater depth. Coal quality results from this first site indicates an Ultra-Low Volatile Pulverized Coal Injection (PCI) style of coal, similar to Cockatoo Coal's "Baralaba" mine (Table 1).

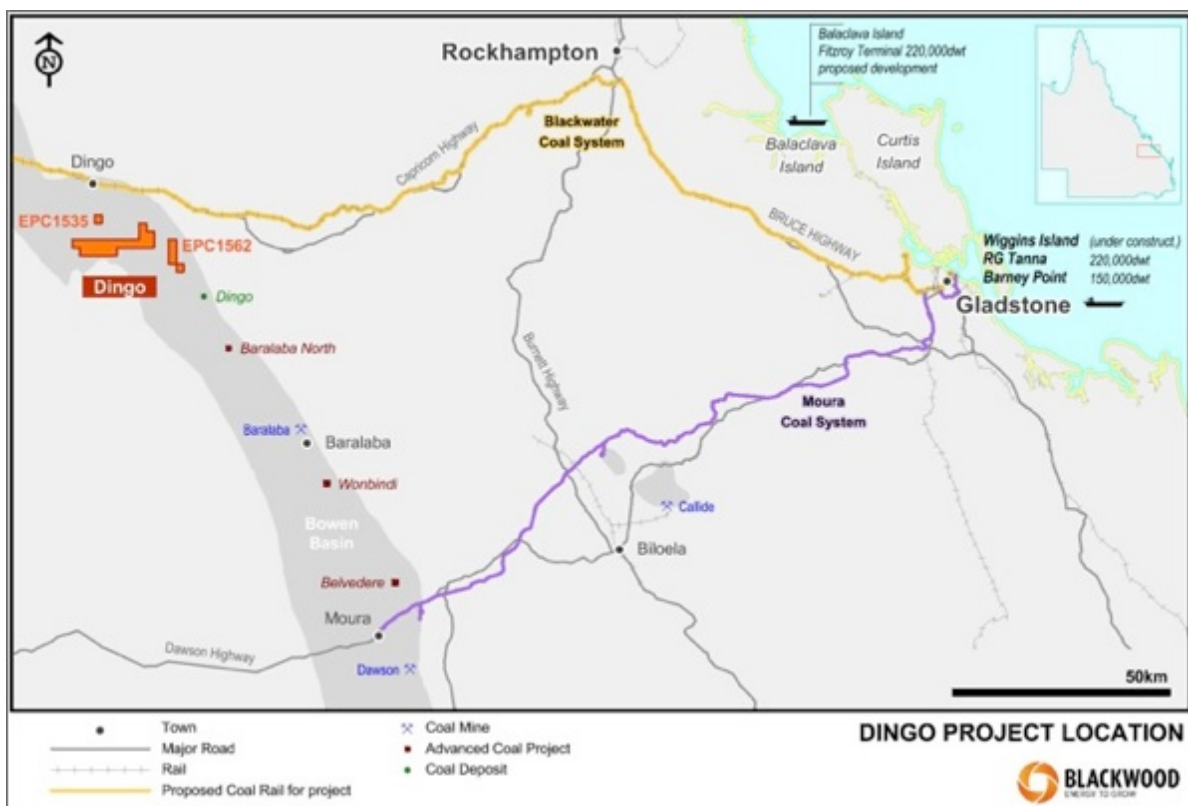


Figure 1 – Dingo Project Location

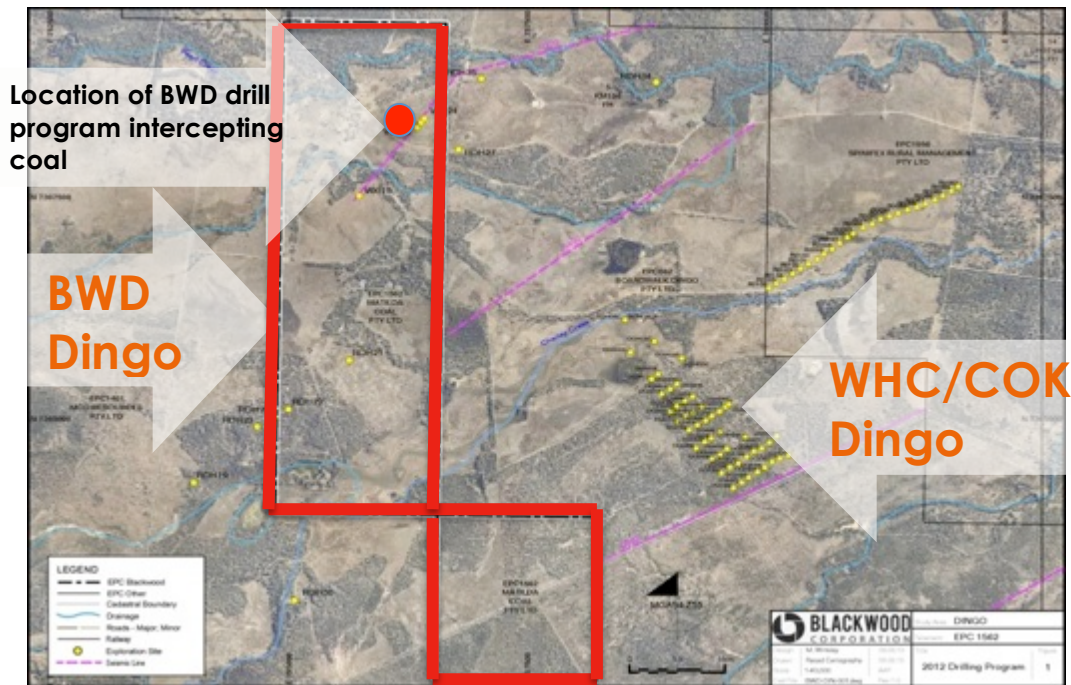


Figure 2 – Dingo Drill Location

In addition to the drilling, historical seismic data shows seams rising close to the surface within EPC 1562. The southern portion of the tenure is of interest as well, as a possible coal corridor exists within the boundaries of EPC 1562. It is likely that the project contains complex geological structures, much like the surrounding projects of the region (such as Cockatoo Coal's "Baralaba" mine & "Lochinvar" project, as well as Whitehaven/Cockatoo's "Dingo" project).

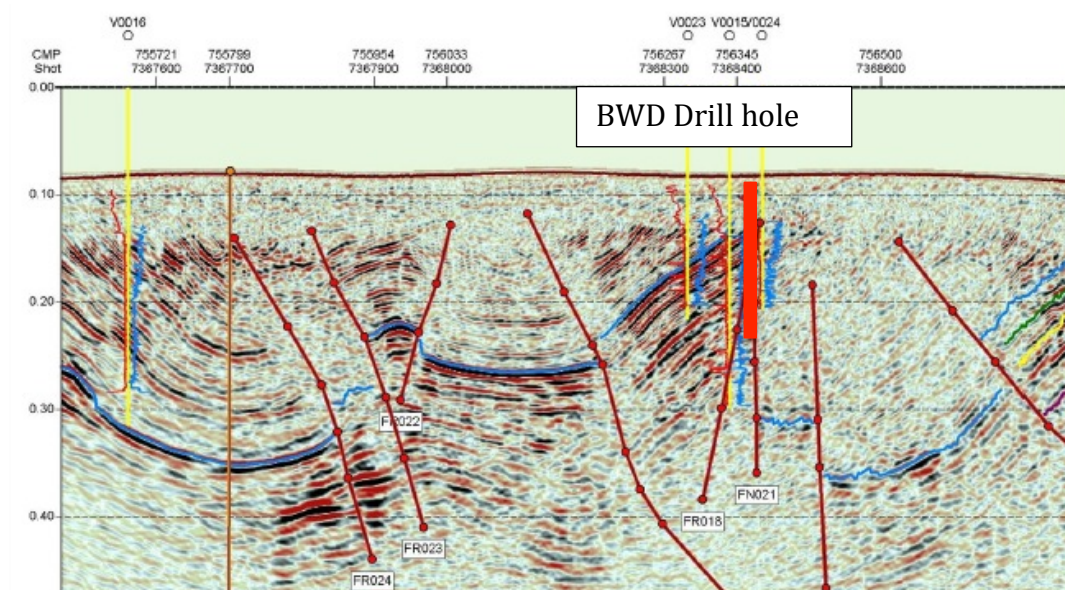


Figure 3 – Dingo 2D seismic lines

Seam	Depth From	Thickness	Moisture	Ash	Volatile Matter	Total Sulphur	Calorific Value		CSN
	(m)	(m)	(%ad)	(%ad)	(%ad)	(%ad)	MJ/Kg	Kcal/kg	
Seam 1	30.16	0.26	1.5	27.1	14	0.63	24.97	5964	2
Seam 1	30.42	1.56	1.9	13.2	14.1	0.94	30.63	7316	7
Seam 2	46.16	0.36	1.8	19.8	12.6	0.62	28.28	6754	3
Seam 2	46.53	0.59	2.1	12	13.9	0.64	31.13	7436	7
Seam 2	47.11	0.26	1.9	33.1	12.2	0.5	23.21	5544	3.5
Seam 3	74.39	1.21	1.5	34.8	15.5	0.36	21.19	5062	1.5

Table 1 – Dingo Intersections & Quality

Forward Plans

Blackwood intends to further review the historical seismic and regional drill data in conjunction with the recent drilling results, with the intention of optimising drill target selection and potentially more 2D seismic for forward programs. Blackwood intends to continue drilling at the project later this year with a view to delineating a JORC compliant resource.

About Blackwood Corporation

Blackwood Corporation Limited (**ASX: BWD**) is an emerging Australian energy and resources company, with a primary focus on the exploration and development of its coal tenement portfolio in Queensland, Australia.

Through its wholly owned subsidiary, Matilda Coal Pty Ltd, Blackwood Corporation holds tenure of over 5,500 square kilometres in world class and internationally recognised coal basins, such as the Bowen Basin, Galilee Basin, Surat Basin and Clarence-Moreton Basin. The company has established 6 'priority projects' and 11 'pipeline projects', aimed at providing long term growth opportunities. Many of its assets are adjacent to proven coal reserves of significant size and export quality, as well as excellent infrastructure.

For more information, please contact

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Competent Persons' Statement

Mr Mark Winsley is the General Manager – QLD Exploration, a full time employee of Blackwood Corporation Limited and holds shares in BWD. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Winsley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Table 1 Checklist of Assessment and Reporting Criteria

This appendix details sections 1 & 2 of the JORC Code 2012 Edition Table 1.

Section 3, 'Estimation and Reporting of Mineral Resources', Section 4 'Estimation & Reporting of Ore Reserves' and Section 5 'Estimation & Reporting of Diamonds & other Gemstones' have been excluded as they are not applicable to this report.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	• Drill cuttings (chips) derived from open hole drilling were collected at 1 m intervals and placed in piles for inspection and description. A representative sample from each pile from selected holes was preserved in sample chip trays. • All coal seams intersected greater than 0.10m were sampled with a maximum sample length of 0.50m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10m were included in the upper coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10m and up to a maximum of 0.30m was sampled separately. • Drill hole core was placed in core trays and appropriately marked up with the drill hole number, tray number, and drilling depth. A core recovery reconciliation based on the driller's records and the geologist's measurements was developed. • The immediate 1m 3m, 5m, 7m roof and floor have been sampled and retained for testing • All coal samples were double bagged at site and marked with sample number, hole and project. Transported to laboratory via courier. • All coal quality samples were prepared and analysed using

	<i>tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	drilling recovery difficulties - a HQ / PQ and 4C size core barrels were used
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	• An assessment of core recovery was completed by comparing the recovered thickness measured during geological logging and by the driller, to geophysical picked thicknesses from the geophysical logs • If there was less than 95% core recovery a redrill was required
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	• A rigorous protocol was adhered to on site regarding drilling supervision, core recovery measurements, and core logging and sampling. • All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged • All chip holes were geologically logged • All drill holes have been geophysically logged with a minimum density, caliper, gamma and verticality unless operational difficulties prevented full or partial logging of the drill hole. • The calibration of the geophysical tools was conducted by the geophysical logging company – (Weatherford)
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• All core samples were double bagged on site and transported to the Laboratory for testing. Bureau Veritas Laboratories comply with Australian Standards for sample preparation and sub sampling. • Raw Analysis procedure keeps ¼ of the sample as a reserve

<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	• Raw coal samples from the 2013 drilling program were analysed at Bureau Veritas coal laboratory in Brisbane, Queensland. Bureau Veritas is accredited by the National Association of Testing Authorities, Australia (NATA), to be analysed for proximate analysis, relative density, specific energy, CSN and total sulphur and results have been reported at an air dried moisture basis (adb). Bureau Veritas is a NATA certified coal testing laboratory, who undergo rigorous testing, including external and internal round robin testing, technical and quality audits. Bureau Veritas follow Australian Standard AS4264.1-2009 for coal and coke sample preparation. This standard provides a guideline for QC processes at each sub-sampling stage. • Geophysical tools were calibrated by the logging company • The density measurement is calibrated to precise standards and where possible, validated in a calibration hole
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	• Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and as such conduct the verifications for coal quality analysis outlined in the standards • Coal quality results were verified by Blackwood Corporation personnel before inclusion into the geological model and resource estimate • No adjustments have been made to the coal quality data
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	• Drillholes have not been accurately surveyed at this time. • Interim hand held GPS co-ordinates are used with a 10m horizontal accuracy and elevation is corrected to the adjacent historical drilling.

<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	• NA • Two bore holes drilled, 5 metres apart
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	• The coal deposit is considered to dip steeply (45 degrees) to the southwest • Faults have been intersected in the 2D seismic, none so far have been intersected in the boreholes. • All drill holes are vertical
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	• Each core sample was placed into a plastic geological sample bag with the date, location depth of interval, and seam name written on the bag. This bag was placed within another plastic geological sample bag together with a sample number ticket. The bags were tied to preserve the coal and eliminate moisture loss, and placed into sample drums. The bags were allocated an identification number, and a sample register was compiled with samples contained in each bag prior to dispatching to Bureau Veritas coal laboratory in Brendale, Brisbane, for analysis. • Sample security was ensured under a chain of custody between Blackwood Corporation personnel on site and Bureau Veritas laboratory
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	• The sample data has been extensively QA/QC reviewed internally.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The Dingo Project (EPC 1562 & 1535) is wholly owned by Matilda Coal Pty Ltd (a subsidiary of Blackwood Corporation). There is no native title claims over the area. There are very small areas of environmentally sensitive areas, outside of the targeted drilling area and resource area. - There are no known impediments to obtaining a licence to operate in the Dingo Project
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Historical exploration has occurred in the area since the early 1970's. All open source company data has been sourced from QDEX and validated.
Geology	Deposit type, geological setting and style of mineralisation.	The Dingo Project area lies within the Bowen Basin. - The principle exploration target is the Baralaba Coal Measures. - Structurally complex, Dawson Fold Zone - The stratigraphy of the project area includes; - Tertiary Cover consists of unconsolidated sands and clays usually highly weathered - Permian aged Baralaba Coal Measures - Coal seams occur within the Baralaba Coal Measures are as follows - Boyd Seam - Cameron Seam - Reid Seam - Dawson Seam - Dunstan Seam - Wright Seam - Coolum Seam - Dirty Seam - Coal quality of Thermal and PCI, low moisture, low volatile are common in the region
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- Single site drilling result; two holes, 5m apart - DG001 Drilled to 78m, intersecting 4.85 m of cumulative coal from 30m to 75m - DG002 Drilled to 54m, intersecting 3.03m of cumulative coal from 30m to 47m - Vertical drilling intersecting coal seams at 45 degree dip - Survey Hole 1 – 756371 E, 7368359, RL 102 - Survey Hole 2 - 756372 E, 7368362, RL 102
Data aggregation	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades)	All seams where multiple coal quality samples were taken were given a composite coal quality value. The composite

<i>methods</i>	and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	value was generated to match seam thickness of the down hole geophysics
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	- All drilling is conducted in vertical holes, with verticality tools run to confirm. Thus all coal intersections and down-hole geophysics are vertical thickness, as the seam dips are 45 degrees thickness is not considered true thickness. - Lateral coal seam continuity is not demonstrated
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate Maps and diagrams are included in the ASX announcement presented.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Drilling was conducted on a single site, with two boreholes completed. The aim was to confirm presence and quality of coals in area, with comprehensive programs to follow
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	2D seismic lines exist in and adjacent to the area.
<i>Further work</i>	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Further work in the future is expected to include drilling the resource along strike. - Further 2D seismic methods may also be used.

- End -