



The Aquila Group

November 2008



Annual General Meeting

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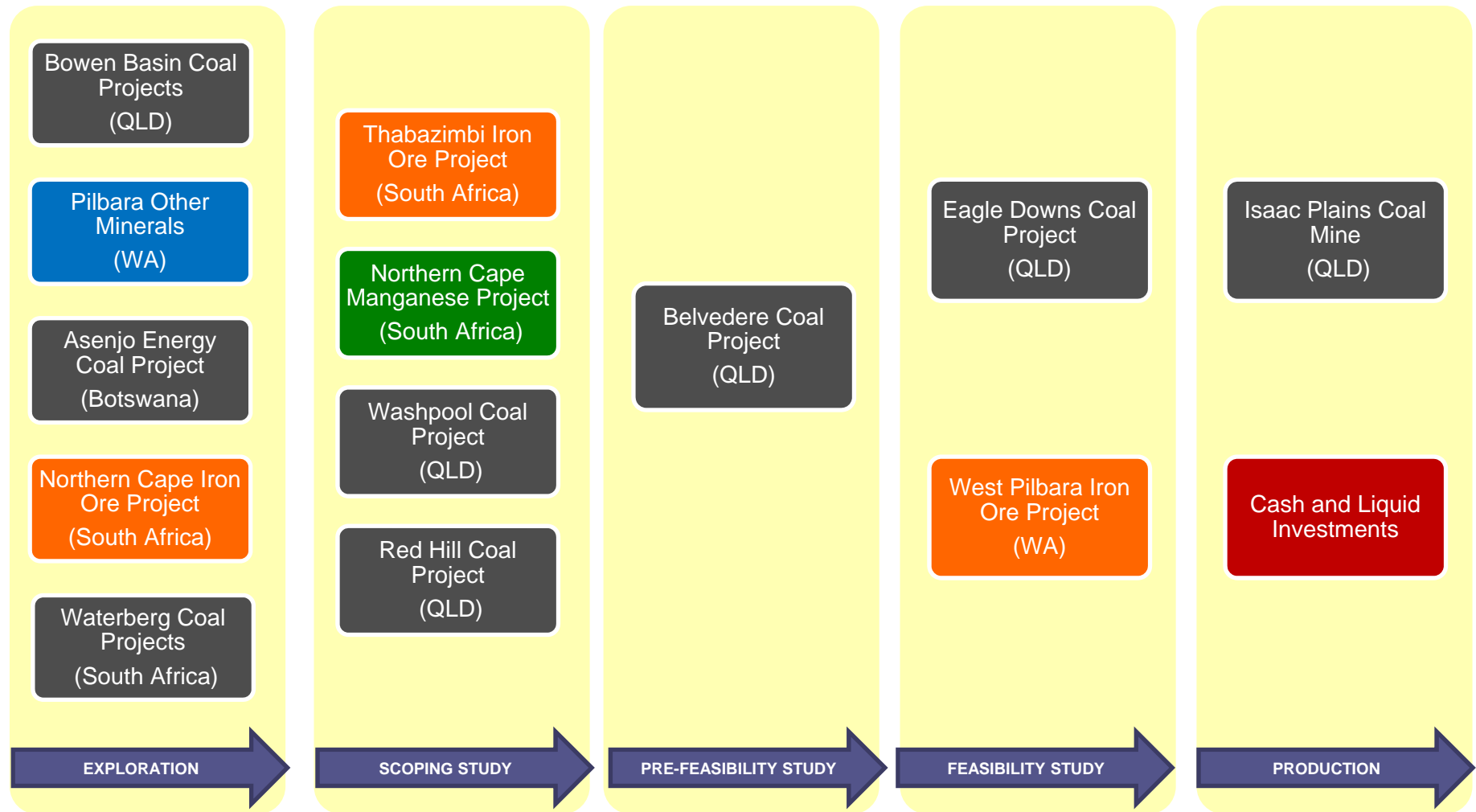
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EBITDA Assumptions: Based on current prices at an exchange rate for the Australian dollar of US75cents.

Extracting Value from Strong “Pipeline of Projects”

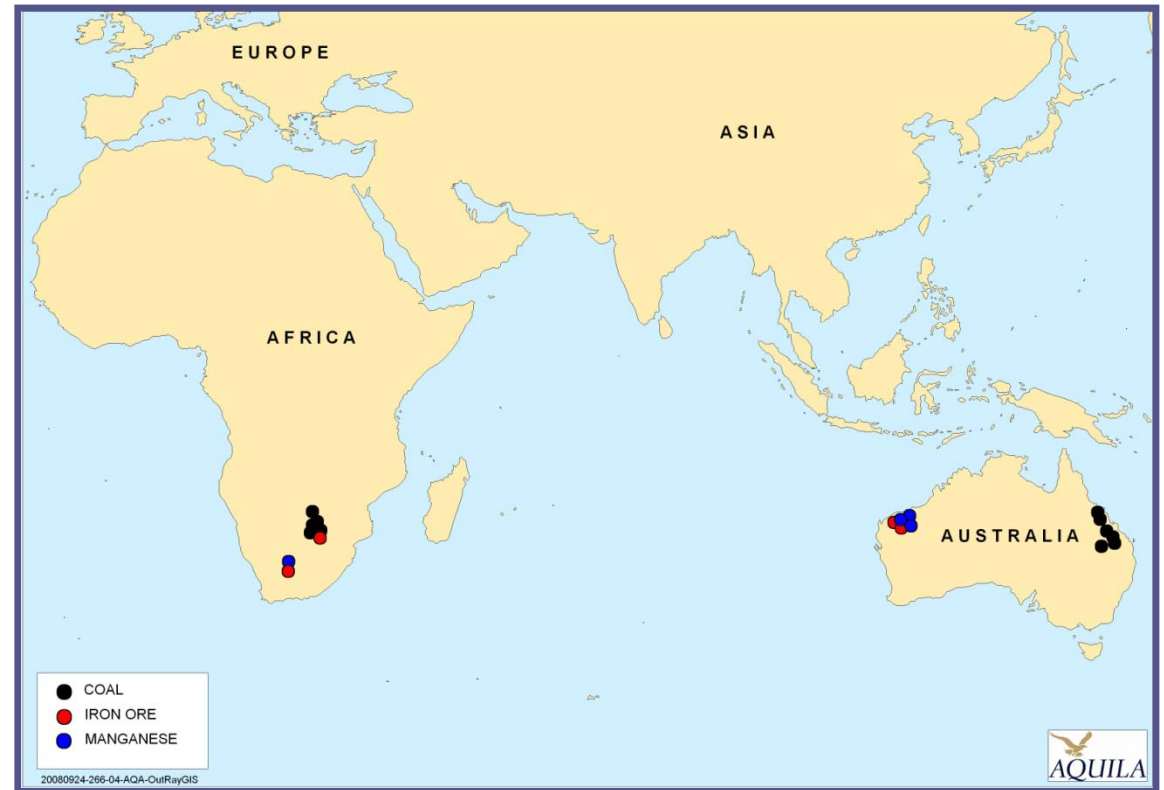


Overview

- The company
- 2008 year in review
- Iron Ore markets
- Coal markets
- Demand from China
- Outlook
- Summary
- Some statistics

The Company

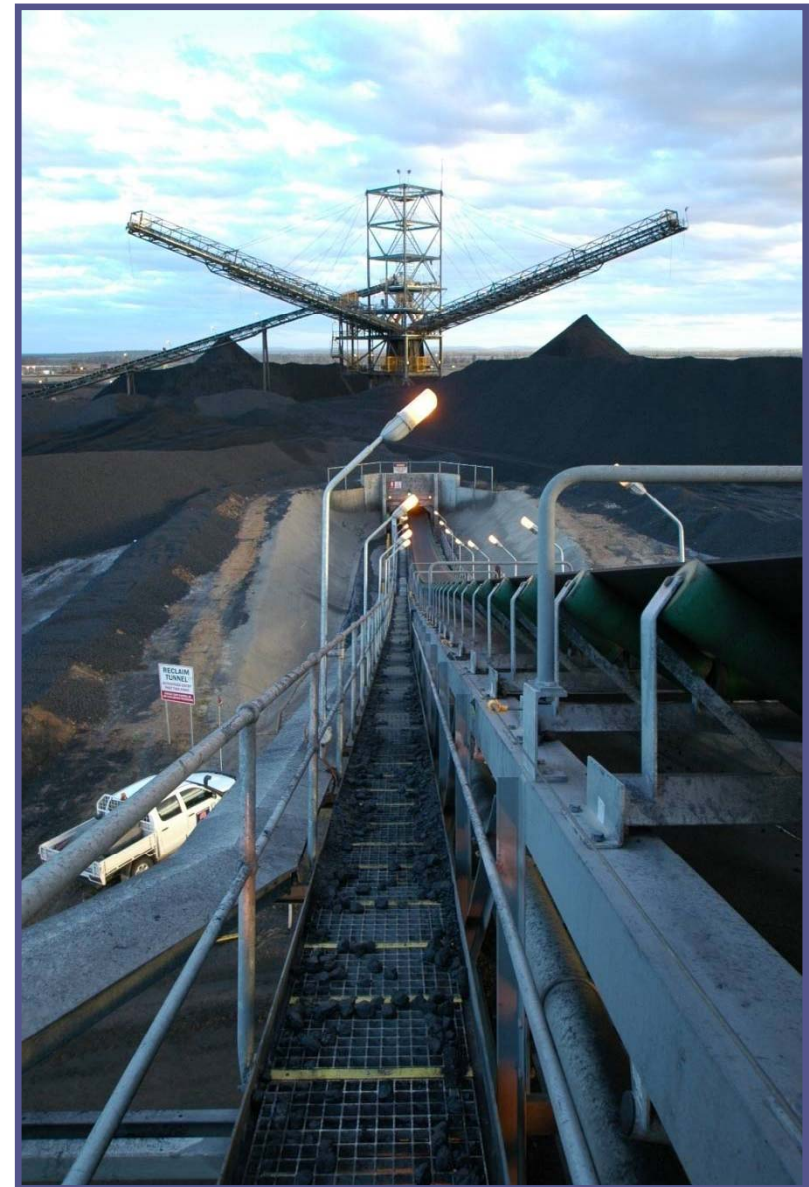
- Mining company with diversified mining and exploration assets, now included in the ASX 200
- Strong pipeline of projects in Australia, South Africa and Botswana
- Targeting coal, iron ore and manganese in various stages of development
- Experienced management team
- Solid balance sheet, strong cash flow and low debt levels, provide for financial certainty



2008 Year in Review

Coal

- Coal Sales for Isaac Plains Coal Mine
1,057,000 tonnes
- Practical Completion achieved for the
Coal Handling and Preparation Plant
- Eagle Downs Coal Project Indicated and
Inferred JORC coal Resource base
upgraded to 780Mt⁽³⁾
- Pre Feasibility Study completed for Eagle
Downs Coal Project
- Increase in coal Resource (Indicated and
Inferred) for Belvedere Coal Project to
3.866Bt⁽⁴⁾
- Commencement of Pre Feasibility Phase
for the Belvedere Coal Project
- Washpool and Red Hill Coal Projects
initial Indicated and Inferred JORC coal
Resources amount to 138Mt⁽⁶⁾ and 75Mt⁽⁵⁾
respectively



2008 Year in Review

Iron Ore

- West Pilbara Iron Ore Project JORC Resource increase to 493Mt⁽¹⁾
- Pre Feasibility Study completed for West Pilbara Iron Ore Project

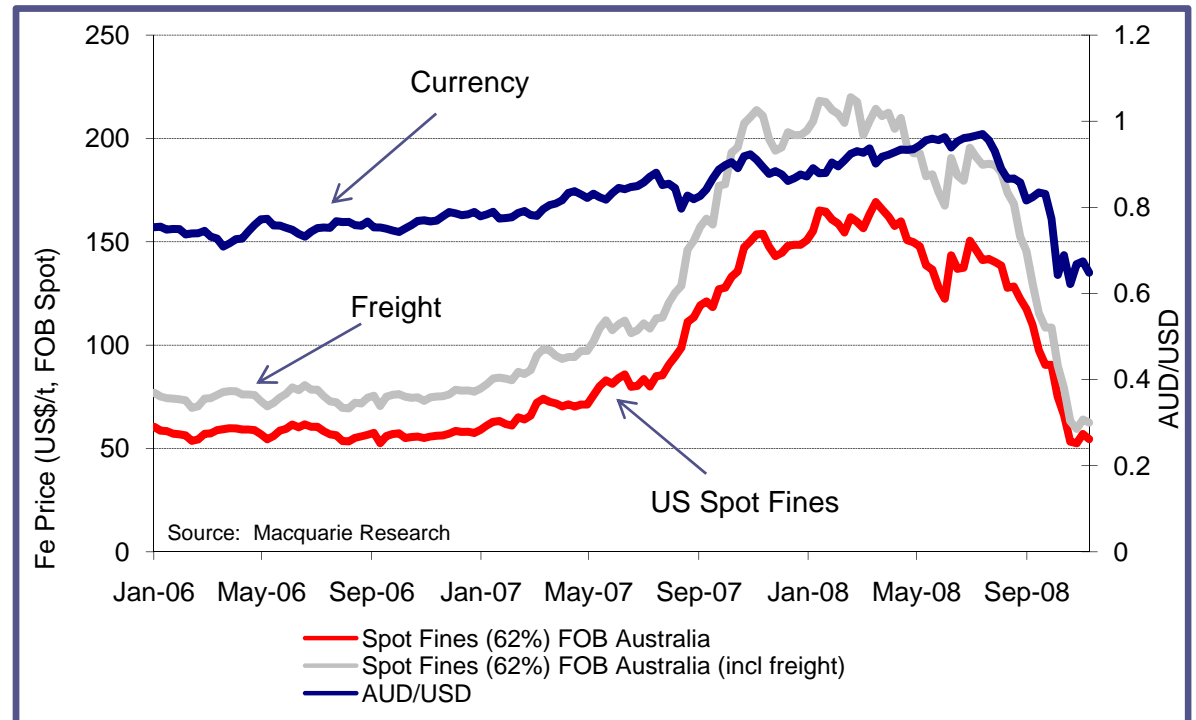
Manganese

- Initial manganese exploration in the Northern Cape region identifies high grade mineralisation in the order of 45%Mn



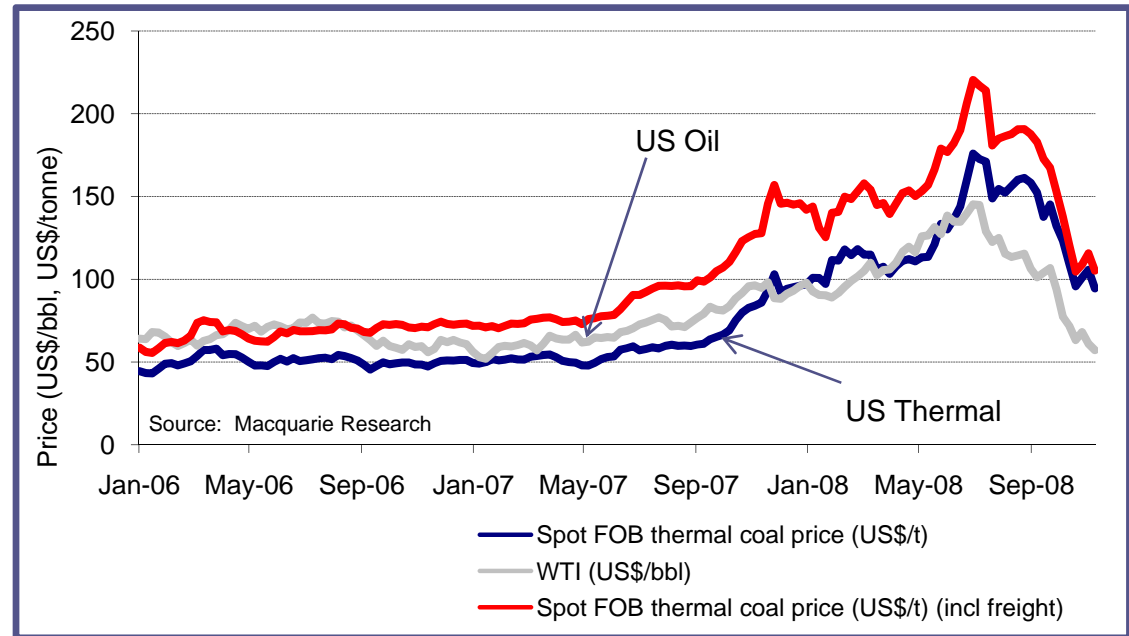
Iron Ore Markets

- A reduction in demand has seen steel prices fall sharply from highs earlier in 2008
- Major iron ore producers cutting back supplies
- Production cuts by iron ore producers will provide support for higher spot prices in the near term and make for prolonged negotiations
- Cost of Chinese domestic supply of iron ore to create a floor for iron ore settlements
- Weaker Australian dollar cushions iron ore price falls



Coal Markets

- Thermal coal prices have fallen from July 2008 highs
- Thermal coal demand expected to remain firm given its use for power generation
- Demand for hard coking coal in the medium term is expected to be robust, as limited new supply is available to the market due to port constraints
- Weaker Australian dollar cushions coal price falls

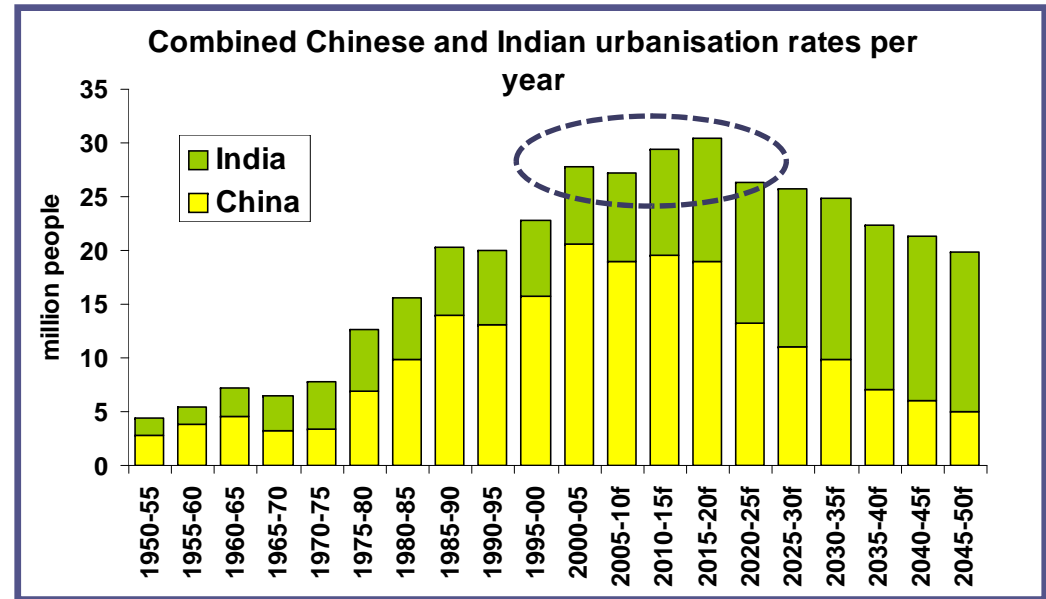


Source: Macquarie Research

Demand from China

- Urbanisation – central to China’s macro-economic development – is a key driver of China’s strong commodity demand
- Between now and 2020 the equivalent of the US population will urbanise in China
- Lack of credit is freezing the global economic system at present
- Demand should eventually bounce back strongly – but maybe not to previous (forecast) levels
- Growth story in China has paused, but industrialisation and urbanisation continue

25-30m people a year urbanising in India and China from 2000-2020



Source: United Nations, McKinsey, Macquarie Research , September 2008

Outlook

Coal

- Isaac Plains Coal Mine sales ramping up (subject to regulatory approvals) with additional port capacity available at Dalrymple Bay Coal Terminal March/April 2009 \Rightarrow increased cash flow, reduced unit costs
- In light of cut back in steel production, coal sales are being deferred which will likely affect coal mine EBITDA for full year
- Dragline to commence operation at Isaac Plains in 4th Quarter calendar 2009 \Rightarrow reduced operating costs (subject to receipt of all regulatory approvals)
- Completion of Eagle Downs Coal Project Feasibility Study due mid year, 2009 \Rightarrow aim to lock in go forward configuration and commence Bankable Study
- Vale's Option over Belvedere commences in December 2009 \Rightarrow cash injection if exercised
- Equity partners to be sought for Red Hill and Washpool Coal Projects by Q2 2009



Outlook

Iron Ore

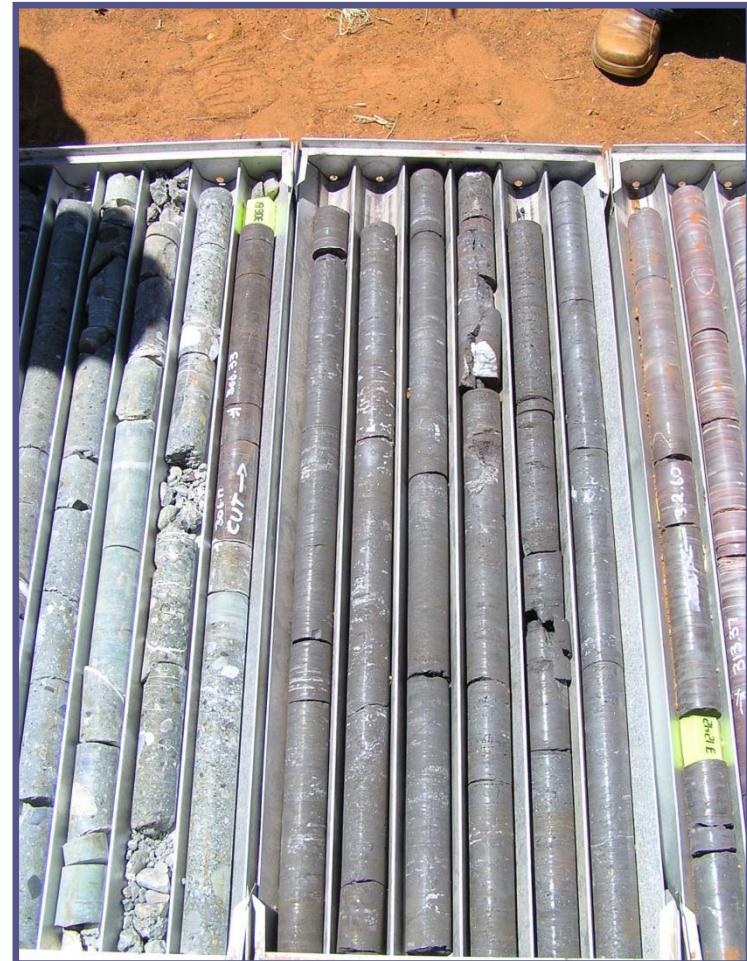
- Resource increase expected for the West Pilbara Iron Ore Project by end of Q1 2009
- Completion of West Pilbara Iron Ore Project Definitive Feasibility Study due mid year 2009

Manganese

- Initial resource estimate for Northern Cape Manganese Project due by Q2 2009

Corporate

- Sale of non core projects during calendar 2009



Summary

- Aquila Resources has cash and liquid assets of approximately A\$162 million as of today
- The company is generating significant operating cashflows from Isaac Plains Coal Mine with increasing volumes and cost reductions in financial year 2010
- The company is in a strong position to fund its growth plans
- Potential for large inflow of funds from sale of 24.5% interest in Belvedere Coal Project and sale of non core projects during 2009/2010



Source: .Bloomberg

Some Statistics

China is redefining urbanisation scale

- From 2005-25, Chinese cities will add more than 350 million people ...
- There will be more than 200 Chinese cities with more than 1m inhabitants
- There will be up to 50,000 new skyscrapers...
- There could be up to 170 new mass transit systems...
- ... the population of the entire United States
- ... in Europe today there are only 35 cities of that size
- ... the equivalent of building ten New Yorks
- ... in Europe today there are about 70

- By 2025, two-thirds of China's citizens will live in cities ...
- ... **that's nearly 1 billion people**



Source: McKinsey, September 2008, Macquarie Research

Competency Statements

(1) The information in this presentation that relates to the West Pilbara Iron Ore Project is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of the Company. Dr Khosrowshahi and Mr Kalla are employees of Golder Associates Pty Ltd. Messrs Tuckey, Khosrowshahi and Kalla have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey, Dr Khosrowshahi and Mr Kalla consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

(2) The information in this presentation that relates to the Isaac Plains Project Resource Statement has been based on information compiled by Mr Graeme Hewitt and Mr Mal Blaik who are members of the Australian Institute of Mining and Metallurgy. Mr Hewitt is a full time employee of Vale Australia and is seconded to the Bowen Central Coal Management to manage the exploration and evaluation of a series of project interests held by Aquila Resources Limited and Vale Australia including Isaac Plains. Mr Hewitt is a qualified Geologist (BSc (Hons) University of NSW, MBA (University of Queensland) and a Fellow of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt holds shares in Aquila Resources Ltd. Mr Blaik is a Principal Consultant of JB Mining Services Pty Ltd. Mr Blaik is a qualified geologist (BSc App Geol (Hons) University of QLD, 1979) and is a member of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt and Mr Blaik consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

The information in this presentation that relates to the Reserves Statement for the Integrated Isaac Plains Project has been based on information prepared by Mr Mark Bowater and Mr Richard Hoskings. Mr Bowater is the Director of MB Mining Consultants Pty Ltd. Mark has a Bachelor in Civil Engineering from Queensland University of Technology and a Bachelor in Business from the University of Southern Queensland. He has over 16 years experience in the open cut mining industry, including 14 years in Queensland coal. Mr Bowater has substantial experience in mining operations, financial evaluations, including previously conducted reserves statements. Mr Bowater is a Member of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hoskings has a degree in Mining Engineering from the University of Queensland and a Master of Science in Mineral Production Management from London University. Mr Hoskings is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Mineral Industry Consultants Association and qualifies as a Competent Person under the JORC Code. Mr Bowater and Mr Hoskings consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.

(3) The information in this presentation that relates to the Eagle Downs Resource Statement has been based on information compiled by Mr Graeme Hewitt and Mr Mal Blaik who are members of the Australian Institute of Mining and Metallurgy. Mr Hewitt is a full time employee of Vale Australia and is seconded to the Bowen Central Coal Joint Venture to manage the exploration and evaluation of a series of project interests held by Aquila Resources Limited and Vale Australia. Mr Hewitt is a qualified Geologist (BSc (Hons) University of NSW, MBA (University of Queensland) and a Fellow of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt holds shares in Aquila Resources Ltd. Mr Blaik is a Principal Consultant of JB Mining Services Pty Ltd. Mr Blaik is a qualified geologist (BSc App Geol (Hons) University of QLD, 1979) and is a member of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Hewitt and Mr Blaik consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Competency Statements

(4) The estimates of Coal Resources for the Belvedere Coal Project presented in this presentation have been carried out in accordance with the JORC Code. The information that relates to Belvedere Coal Resources, is based on information reviewed by Mr Pat Hanna, who is a Fellow of The AusIMM and was previously an employee of SRK Consulting. Mr Hanna 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. Mr Hanna consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

(5) & (6) The information in this presentation that relates to the Red Hill and Washpool Coal Projects, is compiled by Mr Blair Richardson and modelled and reviewed by Mr Lyon Barrett. Mr Richardson is a previous employee of Aquila Resources Ltd, with 25 years experience in geology and over 15 years experience in resource evaluation. Mr Richardson is a member of The Australasian Institute of Mining and Metallurgy and 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 2004 Edition of the JORC Code. Mr Richardson holds shares in Aquila Resources Ltd.

Mr Barratt is a full time employee of Salva Resources and has over 15 years experience in geology and over 10 years experience in resource evaluation. Mr Barrett is a member of The Australasian Institute of Mining and Metallurgy and 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 2004 Edition of the JORC Code.

Mr Richardson and Mr Barrett consent to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.