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ASX RELEASE

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JAL (Fully paid Ordinary Shares)

Jameson Commits to Expanded Mine Case Feasibility Study

Highlights

- Feasibility study for expanded mine case at optimised level of production anticipated first quarter 2010
- Preliminary estimates support robust cash operating margin of approximately US$20 per tonne based on late 2010 futures contract pricing of thermal coal, the anticipated start date of commercial production
- Initial start up production rate of approximately 500,000 tonnes per annum with potential ramp-up to a targeted 1 million tonnes per annum
- Capital requirements for new wash plant, rail load-out facility, and other infrastructure required to recommission mine estimated at approximately US$20 million
- Reserve estimate to support expanded mine case due on receipt of recent drilling results

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Jameson Resources Limited ("Jameson" or the "Company") would like to announce that it has amended Norwest Corporations ("Norwest") brief to complete the feasibility study on the expanded mine case at an optimal annual production rate. It has been advised that construction of a new wash plant facility will require only slightly more capital than upgrading the existing wash plant to a standard capable of producing an export quality product at an increased capacity. Opportunities for enhanced project economics are expected from the expanded mine case. This work is expected to be completed in the first quarter of calendar 2010.

The outlook for thermal coal prices of similar quality to Basin has improved significantly with futures contract for delivery late 2010 trading at approximately US$85/tonne and over US$100/tonne for delivery in 2012 (ICE Europe). Pulverised coal injection ("PCI") coals of similar quality to Basin's PCI product attract a premium of 10-20% above Newcastle thermal coal prices are also forecast to rise significantly.

PROJECT UPDATE

Feasibility Study

The Company together with its consultants Norwest Corporation ("Norwest") has identified opportunities for revised operating cost assumptions in the expanded mine case scenario with a relatively minor impact on start up capital. As such, the Company has revised Norwest's brief to determine and complete the feasibility study at the optimal level for start up production for the project which is expected to be approximately 500,000 tonnes per annum. Subject to reserve definition and amendments to the existing mining permit, the Company is aiming towards ramping up from an initial rate of 500,000 tonnes per annum to a targeted rate of as high as 1 million tonnes per annum.

Preliminary estimates of the capital required to refurbish the existing wash plant suggest that the construction of a more efficient larger capacity plant will deliver enhanced project economics. Norwest have identified that the refurbishment of the existing wash plant will require significant upgrading including the addition of new circuits in order to run efficiently and to produce a export quality product.

Initial engineering studies on a new wash plant facility designed to produce a thermal product at 12.5% ash or both a thermal coal and pulverised injection coal ("PCI") product have been completed. Financial modelling on both options is being undertaken as part of feasibility study. The final wash plant design will be such that production capacity can be increased with only minor capital expenditure on delineation of additional reserves. Some components of the existing wash plant can be incorporated into the proposed new plant. Estimated capital required to construct a new wash plant facility is approximately US$8-12 million.

Additional capital for site infrastructure, logging road upgrades, and the proposed rail load-out facility will also be required. Pre-feasibility estimates indicate approximately US$20million will be required to bring the project into operation, which is approximately 1/3 of the typical Australian capital expenditure per tonne of production.

It is proposed to haul the coal from Basin using 42 tonne B-train trucks along the shortest route (110km) to the proposed rail load-out. The proposed route is a combination of forestry roads and major highway. Road upgrades include the re-establishment of a 6.7km logging trail to connect two well maintained roads. Advanced discussions are underway with the preferred transport companies.

The outlook for thermal coal prices of similar quality to Basin has improved significantly with futures contracts for delivery late 2010 at approximately US$85/tonne and over US$100/tonne for delivery in 2012 (ICE Europe), showing markets expect a rise in coal prices going forward. Chinese domestic prices are approaching US$100/tonne, providing further incentive for imports and thereby placing upward momentum on world prices.

Based on late 2010 futures contract pricing of thermal coal, operating cash margins of approximately US$20 per tonne are anticipated. Discussions with potential domestic and international buyers of the coal that will likely be produced from Basin are continuing.

Exploration Program

Jameson has recently completed a diamond drilling and trenching program at Basin. The drilling and coal quality program is under the supervision of Mr R.J. Morris, M.Sc., P. Geo from Moose Mountain Technical Services. The objective of the program was to further define the coal structure in the northern portion of the property and determine the coal quality, particularly levels of ash on both the Main and Lower coal seams. A reserve estimate to support the expanded mine case will be completed on receipt of the coal quality data.

Trenches were excavated to confirm the position of the modelled coal seams prior to drilling. A total of 7 trenches were excavated and sampled. Samples were collected for proximate analysis and bulk sample washability test work.

Drilling was undertaken by local drilling contractor Foraco Drilling Ltd using a skid mounted drill rig (Figure 2). A total of 6 HQ3 diamond core holes were drilled for an advance of 886m. Hole locations are shown on Figure 3. Average hole depth was 147m. Five holes were drilled on 300m spacings over the northern half of the resource. An additional hole was drilled in the southern portion of the property to confirm earlier drilling work and provide additional samples for coal quality characterization. All holes were geophysically logged within the drill stem by Century Wireline Services. Drilling statistics are summarised in Table 1.

Hole ID	Northing	Easting	Depth
DH09-01	5485981	661571	150.1
DH09-02	5487268	661303	89.4
DH09-03	5487633	661467	128.5
DH09-04	5487884	661660	178.3
DH09-05	5487841	661934	169.8
DH09-06	5487696	662283	164.7
TOTAL			**885.77**

Table 1 – Diamond Drilling Program Summary Table

Coal seams were intersected in all 6 holes. Coal seam thickness including partings correlated relatively well with the existing resource model, though ash levels increase significantly to the north. All coal plys greater than 1m thickness are summarised in Table 2. Samples were collected at varying intervals through both the Main and Lower seams as determined from the geological and geophysical logs. All samples have been sent to Birtley Coal and Minerals Testing Division of GWIL industries in Calgary for coal quality analysis.

It is anticipated that all coal quality analytical results are expected by the end of November and will compliment existing coal quality data. Drilling results will be used to calculate the initial reserve estimate as part of the expanded mine case feasibility study. This estimate will be focussed on the area of low strip ratio coal proximal to the existing mine.

Any enquiries regarding this announcement should be directed to Jameson's Executive Director, John Holmes.

John Holmes

The information pertaining to the technical content of this report has been reviewed by Mr John Holmes, who is a member of the Australian Institute of Geoscientists. Mr. Holmes is employed by Jameson Resources Ltd 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Holmes consents to the inclusion in the report of the technical information in the form and context in which it appears.

Figure 1 - Location Diagram – Basin Thermal Coal Project

Figure 2 – Trenching and Diamond Drilling

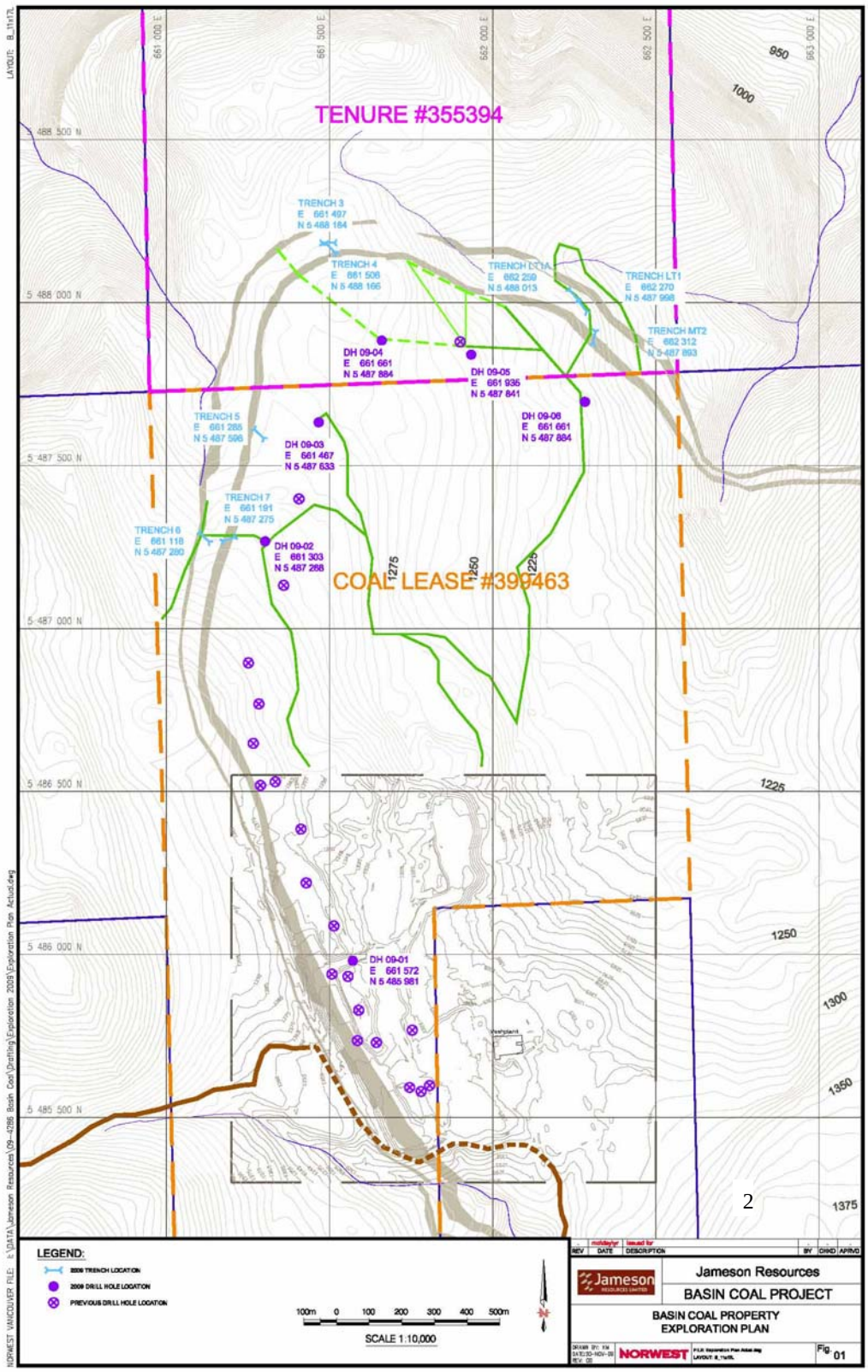

Figure 3 - Drill Hole Location Plan

Hole ID	Seam	From (m)	To (m)	Coal Ply Thickness
DH09-01	Main Seam	77.2	78.8	1.6
DH09-01	Main Seam	79.8	84.6	4.8
DH09-01	Main Seam	84.6	86.2	1.6
DH09-01	Main Seam	86.2	90	3.8
DH09-01	Main Seam	90	94	4
DH09-01	Main Seam	94	96.4	2.4
DH09-01	Lower Seam	119.8	122.4	2.6
DH09-01	Lower Seam	122.4	125.8	3.4
DH09-01	Lower Seam	125.8	127.8	2
DH09-01	Lower Seam	139.6	140.8	1.2
DH09-02	Main Seam	5.8	7.3	1.5
DH09-02	Main Seam	7.3	10.25	2.95
DH09-02	Main Seam	10.25	13.7	3.45
DH09-02	Main Seam	13.7	18.5	4.8
DH09-02	Main Seam	18.5	24.5	6
DH09-02	Main Seam	24.5	30.1	5.6
DH09-02	Main Seam	30.1	33.3	3.2
DH09-02	Main Seam	33.3	36.75	3.45
DH09-02	Main Seam	36.75	41.1	4.35
DH09-02	Lower Seam	65.7	67.9	2.2
DH09-02	Lower Seam	67.9	70.1	2.2
DH09-02	Lower Seam	70.1	73.1	3
DH09-02	Lower Seam	73.1	77.2	4.1
DH09-02	Lower Seam	82.4	85.2	2.8
DH09-03	Main Seam	42.55	44.8	2.25
DH09-03	Main Seam	46.1	50.3	4.2
DH09-03	Main Seam	53.6	58.5	4.9
DH09-03	Main Seam	58.5	59.85	1.35
DH09-03	Main Seam	61	66.8	5.8
DH09-03	Main Seam	68.1	70.75	2.65
DH09-03	Main Seam	70.75	74.1	3.35
DH09-03	Lower Seam	95.2	97.6	2.4
DH09-03	Lower Seam	97.6	100.15	2.55
DH09-03	Lower Seam	105.75	107.8	2.05
DH09-04	Main Seam	15.9	20.5	4.6
DH09-04	Main Seam	22.6	24.9	2.3
DH09-04	Main Seam	24.9	30.8	5.9
DH09-04	Main Seam	31.8	36.3	4.5
DH09-04	Main Seam	36.3	40.1	3.8
DH09-04	Lower Seam	73.9	78.2	4.3
DH09-04	Lower Seam	79.7	81.3	1.6
DH09-04	Lower Seam	82.7	86.9	4.2
DH09-04	Lower Seam	97.6	99.1	1.5
DH09-05	Main Seam	82.1	83.9	1.8
DH09-05	Lower Seam	141.3	142.3	1
DH09-06	Main Seam	84.4	86.6	2.2
DH09-06	Main Seam	95.4	96.4	1
DH09-06	Main Seam	115	116.7	1.7
DH09-06	Lower Seam	155.1	156.6	1.5
DH09-06	Lower Seam	157.8	158.9	1.1

Table 2 – Coal Plys > 1m thick