

## Geostatistical Studies to determine a Resource Estimate and the Maximum Level of Uncertainty in this Estimate.

The latest release of the "Australian Guidelines for the Estimation and Classification of Coal Resources" expects the Competent Person not only to classify a resource into Measured, Indicated and Inferred but also to provide an estimate of the maximum level of uncertainty in these resource estimates. This can be done using the geostatistical method known as conditional simulation.

We have now performed a number of conditional simulation studies estimating coal resources and the accompanying maximum level of uncertainty associated with these. Even though these studies are essentially quantitative in nature, we always make sure that they incorporate the geological understanding of the geologists responsible for the project and that the results are sensible to them.

Please contact us if you would like us to further explain the methods we use and possibly help with your coal resource estimation process.