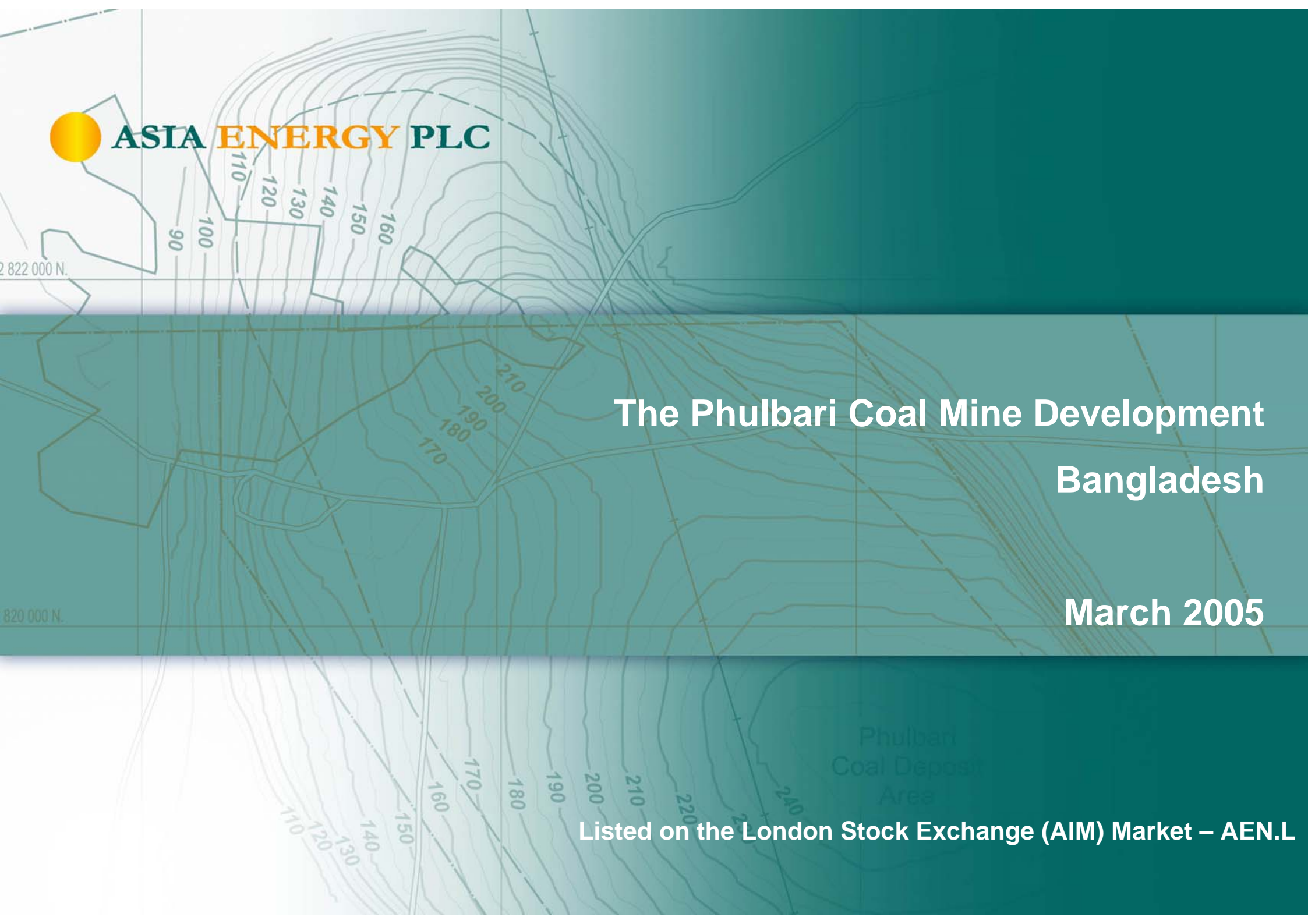




The Phulbari Coal Mine Development Bangladesh

March 2005

Listed on the London Stock Exchange (AIM) Market – AEN.L



Project Overview

- **Mission – to develop a world-class open cut coal mine in north-west Bangladesh**
- **The Phulbari coal deposit has an average seam thickness of 35 metres**
- **Coal quality is Bituminous Rank A and B, including Semi-soft Coking Coal and high energy Thermal Coal**
- **The mine is 10km from the Indian border, and linked to export loading points by rail and river**
- **Project has extensive development and mining agreements with the Bangladesh Government**

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Project Overview

- **Full Definitive Feasibility Study (“DFS”) expected to be completed in mid 2005**
- **Mine development scheduled to commence in 2006, first coal in 2007, full production by 2011**
- **Financing is underway, advised by Barclays Capital, with strong international interest**
- **This Project will make a significant contribution to the economy of Bangladesh and turn the country into a major coal exporter**

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Project Summary

Coal Mining Rate

Start up 2007, building to 15 Mtpa over 5 years

License Area

5,489 hectares

Coal Type

High Volatile, Bituminous A & B

Coal Reserves¹

430 Mt

Geology

Coal measures 15 – 70 metres thick over 3 seams at depth of 120 – 240 metres

Indicative Mine Life

Minimum 30 years

Average Strip Ratio

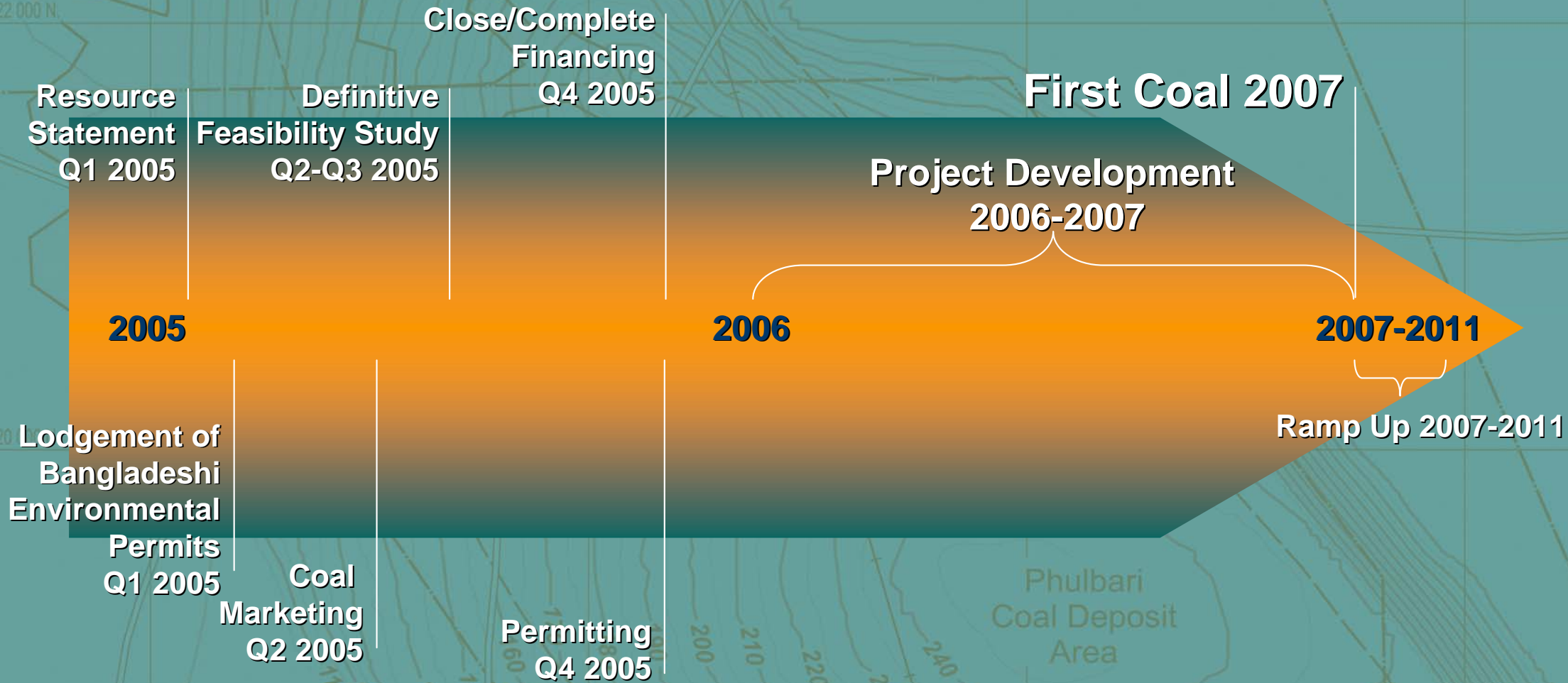
6.1 waste bcm per tonne of coal

Mining Method

Opencast with Truck and Shovel

Note 1: The potential reserves are based on extrapolating existing borehole data between holes and to basin boundaries. This data is considered inadequate to develop a JORC compliant statement of Coal Reserves.

Project Timeline



Project – Market Access

- The Project is 300km northwest of Dhaka and 10km from the Indian border
- The deposit is serviced by a new dual gauge rail line, with connections to India and throughout Bangladesh, including a range of port facilities
- The mine is situated on one of the highest points in Bangladesh and is not prone to flooding
- Target export markets – India, Malaysia, Thailand and major consuming countries in North Asia
- 10% of output allocated to the Bangladesh domestic market



Project Area

- Deposit straddles an existing railway line
- Close to existing township and social infrastructure
- No major river or stream diversions required
- Relocation and upgrade of community infrastructure is an important aspect of the Project's development

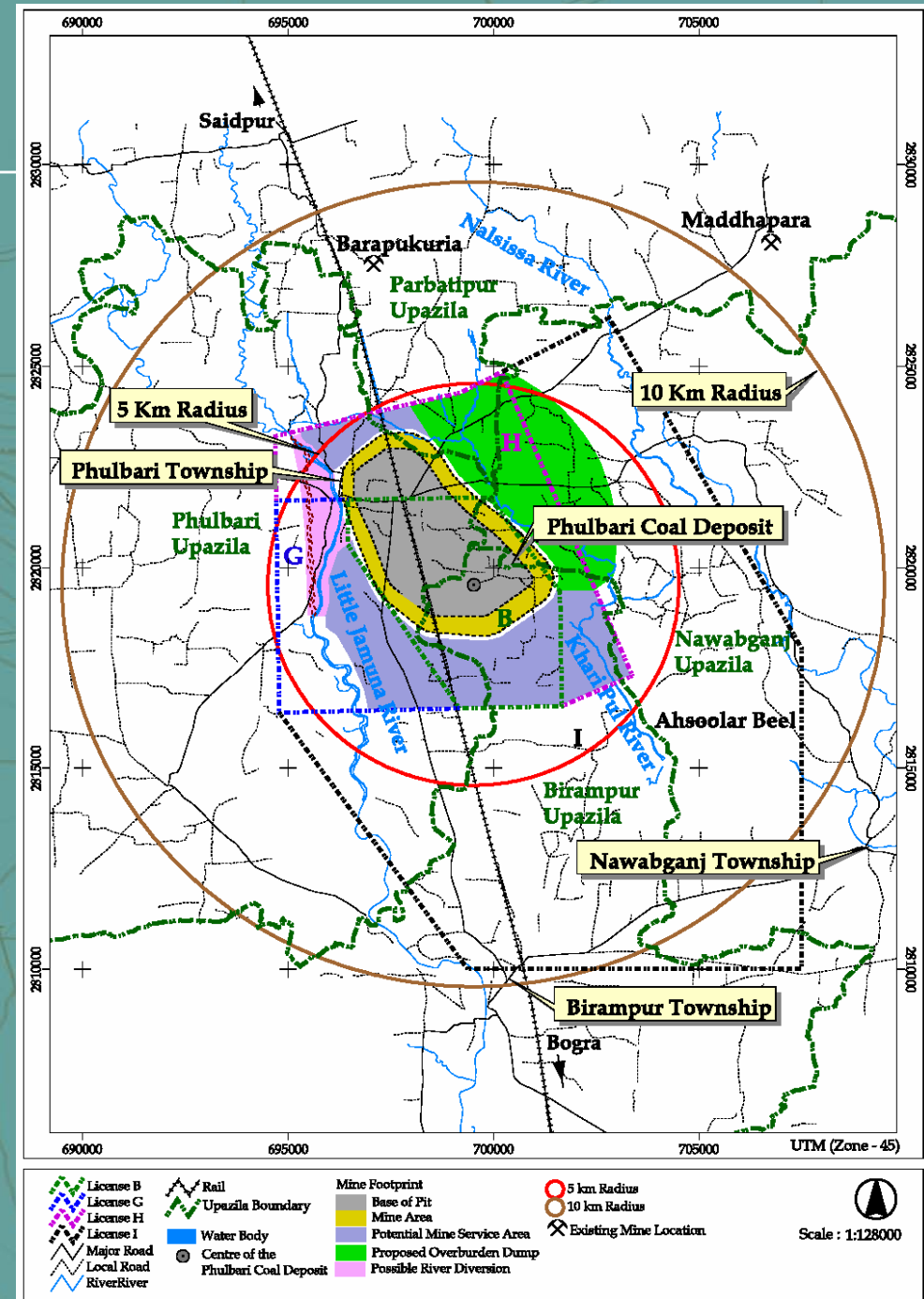
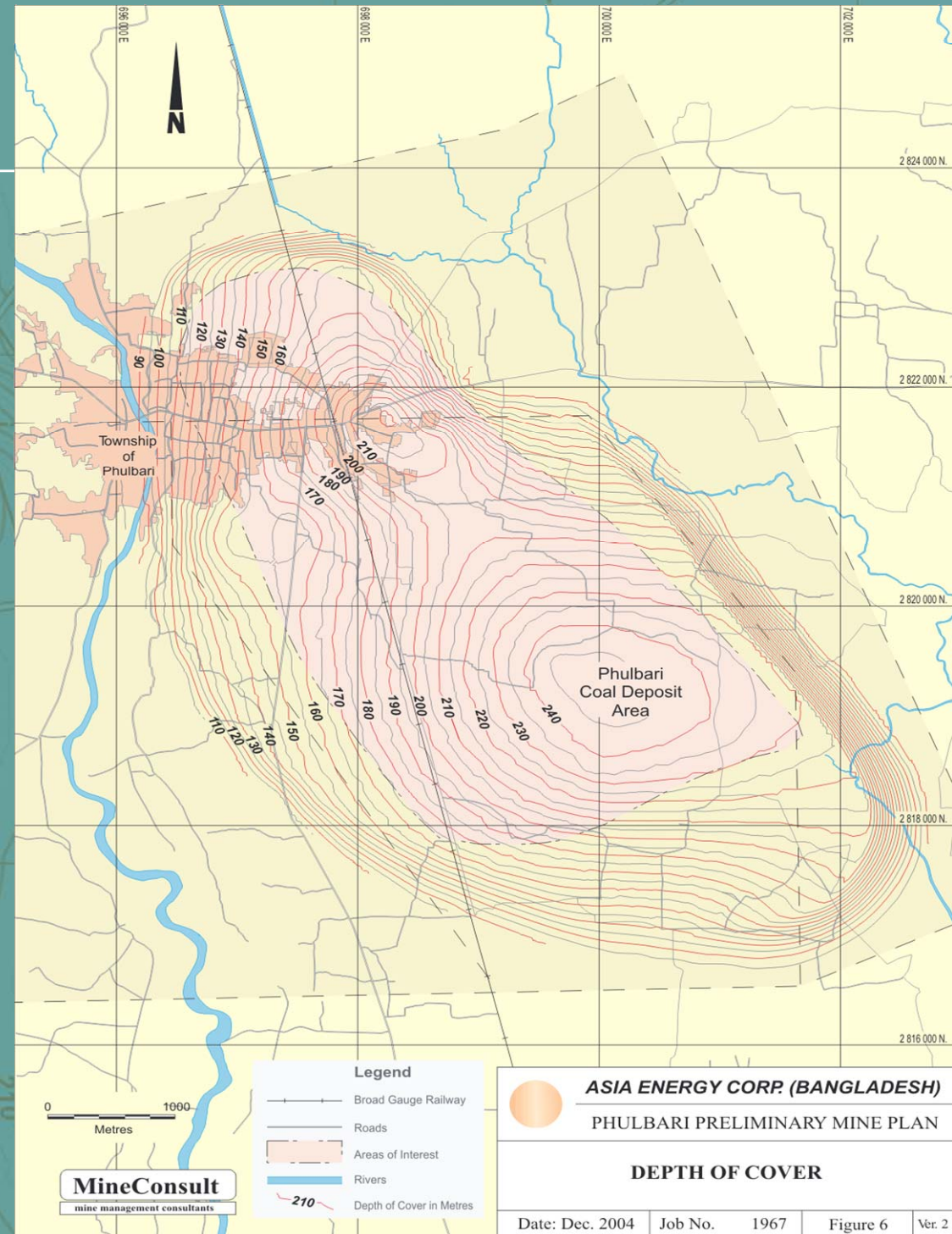


Figure 1.3 Conceptual Mine Footprint

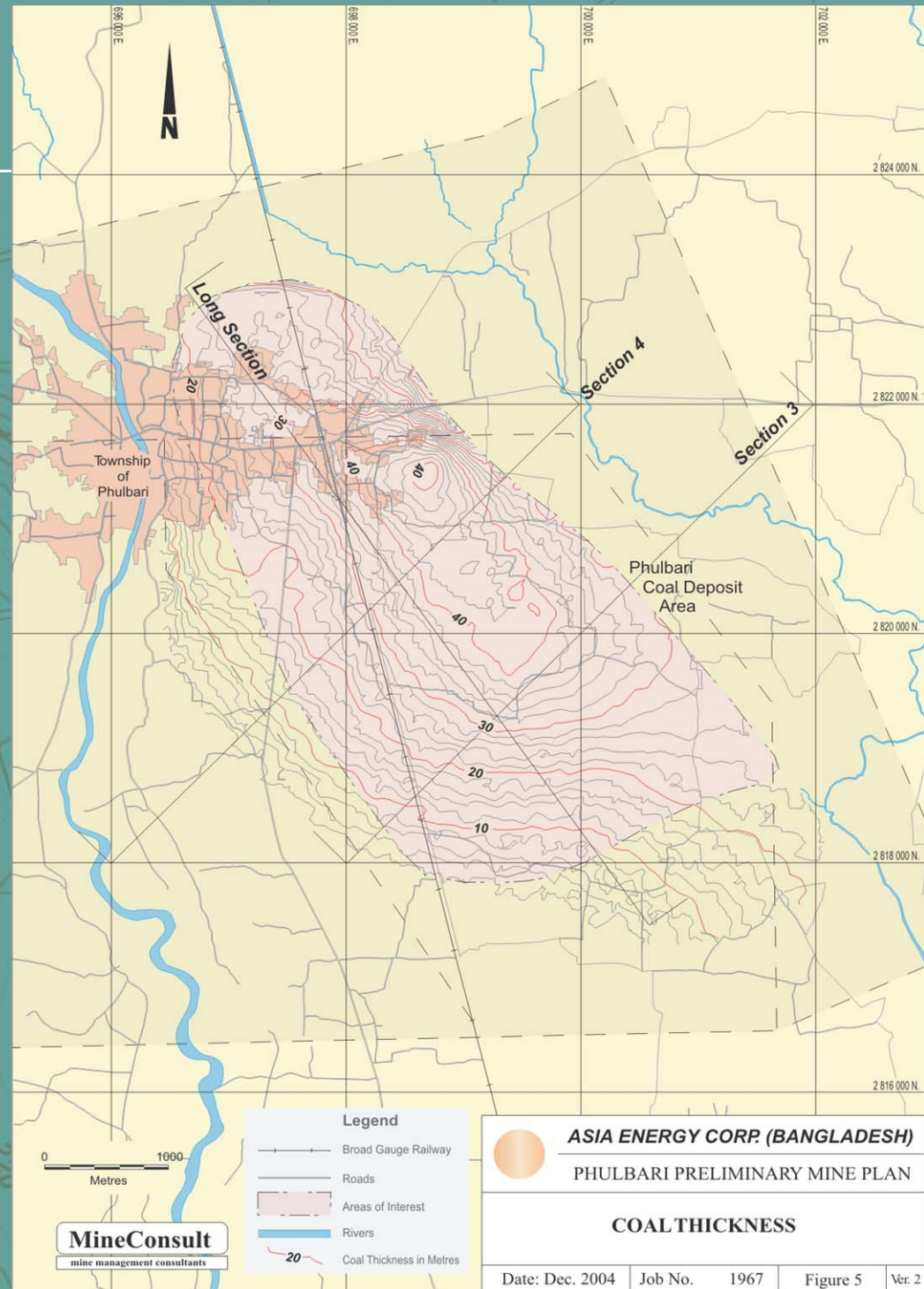
Depth of Cover to Coal



- Project discovery site
 - ▶ 20m coal intercept at 140m

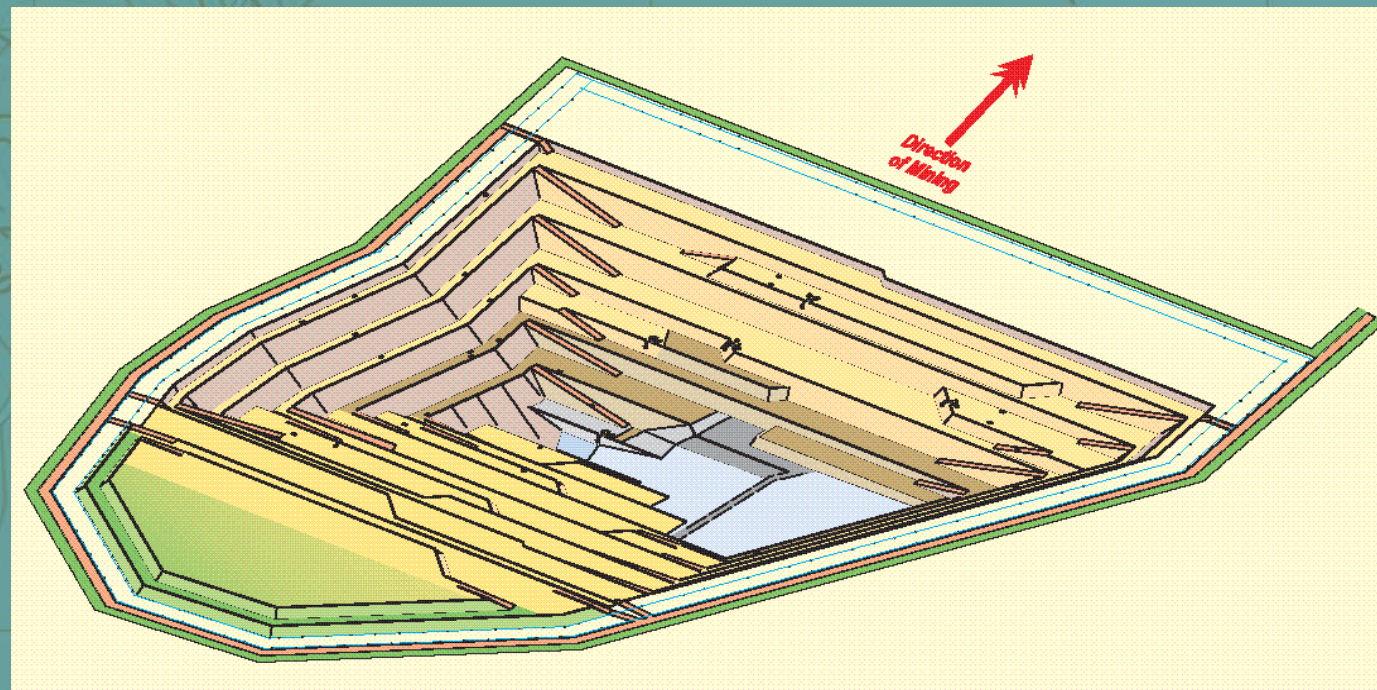


Coal Seam Thickness



Conceptual Pit Design

- Flat lying coal seams
- Conventional Truck & Shovel Operation
- 240 tonne Dump Trucks
- 48 cubic metre Excavators



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Project Consultants

- The Company has appointed internationally known and respected advisers and consultants for the DFS:
 - ▶ GHD (Study Co-ordination and Coal Resource evaluation)
 - ▶ MineConsult (mine design)
 - ▶ QCC (Coal preparation)
 - ▶ SMEC (Environment and Social)
 - ▶ Barclays Capital (Financial Advisors)

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Coal Marketing Parameters

- **Coal Product Mix**
 - ▶ Three Branded Product Types (Semi-Soft Coking Coal, High Energy Thermal Coal, Domestic Industrial Thermal)
- **Coal to Market**
 - ▶ Rail and truck access to local and cross border Indian markets
 - ▶ Rail to existing ports on existing dual guage railway and then river barge to downstream loading point
 - Current studies support Handymax and Panamax capability
- **Competitiveness**
 - ▶ Lowest Quartile FOB Cost target
 - ▶ C&F advantage to South Asian markets
 - ▶ Competitive in other Asian markets and to the Mediterranean

Coal Products

- At full output of 15 Mtpa, the Mine can sustain the following product mix
 - ▶ 50% Export Thermal ~ 7.5 - 8.0 Mtpa
 - ▶ 25% Export Metallurgical ~ 3.5 - 4.0 Mtpa
 - ▶ 20% Domestic Thermal ~ 3.0 - 3.5 Mtpa

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Coal Marketing – Three Branded Product Types

- ▶ **Semi-Soft Coking Coal**, with internationally desirable attributes such as
 - Low Ash (6.5% Air Dried)
 - Low Contaminants (Phosphorous < 0.03%)
 - Medium coking properties (CSN 4)
 - Low Sulphur (0.8% Air Dried)
 - High Volatiles (~ 33% Air Dried)

- ▶ **Thermal Export Coal**, comparable to premium thermal coals from Australia and Indonesia
 - High Energy (> 6800 Kcal/kg Air Dried)
 - Medium Ash (13% Air Dried)
 - Low Sulphur (0.8% Air Dried)
 - High Ash Fusion Temps (>1500° ID) and Low slagging and fouling potential

- ▶ **Domestic Thermal Coals**, perfectly suited to local power generation and industrial use
 - Ash > 19%
 - Sulphur ~ 1.0%

Export Coal Products – Provisional Specifications

Typical Specification (Air Dried, unless stated)	Semi – Soft Coking Coal	Standard Thermal
Total Moisture (% as received)	8.0	8.0
Proximate Analysis		
Moisture (%)	2.5	2.5
Ash (%)	6.5	13.0
Volatiles (%)	33.5	31.0
Fixed Carbon (%)	57.5	53.5
Sulphur (%)	0.8	0.8
Specific Energy Kcal/kg	7400	6800
Chlorine (%)	0.02	0.02
Phosphorous (%)	0.026	0.053
HGI	40	45
Coking Properties* - CSN	4	1
Petrographic Properties		
Macerals – Vitrinite (% mineral free)	50	31
R _v , max (%)	0.78	0.78
Ash Fusion Temp - Initial Def (°C)	>1500	>1500

Coal Product Development

- As part of the DFS, the Large Diameter drill core program (to be completed in March 2005) and subsequent testing at ACIRL in Australia will
 - ▶ allow further washability tests
 - ▶ confirm final Specifications for Branded Products
 - ▶ increase the Specification data for Semi-Soft Coking Coal, including
 - full Maceral analysis
 - Coking and Caking Properties (Fluidity, Dilatation, Swelling) via standard industry tests
 - ▶ increase the Specification data for Thermal Coal to include trace elements
- Depending on market demand, potential exists to expand the future export product range to include
 - ▶ High Vol PCI Coal
 - ▶ Super premium Thermal Coal (Energy >7100 Kcal/kg Air Dried)

Bangladesh – A Country Overview

- Bangladesh came into existence in 1971 when Bengali (East Pakistan) seceded from its union with West Pakistan
- Area: 144,000 sq km – half the size of Italy
- Population: 141 million
- Religions: Muslim 83%, Hindu 16%, other 1%
- Climate is tropical with mild winters
- GDP: US\$258.8 billion (2003 est.), ~ 33rd globally
- Major industries are agriculture (21.7%), industry (26.6%) and services (51.7%)
- GDP per capita: US\$1,900 (2003 est.), similar to Angola and Zimbabwe (approx 74th percentile of world curve)

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Bangladesh – Asia Energy’s Positive Contribution

- Direct royalty and tax income to Bangladesh over life of mine
- Substantial indirect income generated through the economic multiplier effect
- Major improvement in balance of payments through exports and replacement of domestic coal imports
- Significant improvements in social infrastructure including health, education and housing
- Provision of clean, potable water from mine dewatering in an area annually impacted by drought
- Major supply of much needed construction materials will be a valuable co-product for Bangladesh



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PRESENTATION END

THE PHULBARI EXPORT COAL MINE WILL MAKE A
SIGNIFICANT DIFFERENCE TO THE ECONOMY AND
PEOPLE OF BANGLADESH

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