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ASX RELEASE

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DRILLING COMMENCES ON MBUYURA AND MKAPA COAL BLOCKS - NGAKA BASIN, TANZANIA

Atomic Resources Limited (Atomic) is pleased to announce that drilling has commenced on two recently acquired coal blocks Mbuyura and Mkapa at Ngaka in western Tanzania.

These two blocks cover northern extensions to the main Mbalawala block where the current JORC compliant resource stands at **over 210 million tonnes of thermal coal** (ASX announcement dated 29th September 2009)

Previous exploration on these blocks calculated detailed historical resource estimates for the areas based on drilling and outcrop geology, however these resource estimates are not compliant with the JORC Code and subsequently further verification drilling is required to enable Atomic to determine the quality and quantity of coal in accordance with the JORC code. Based on the drilling and test work previously completed potential coal tonnage of **between 30 million and 50 million tonnes** is anticipated. (ASX announcement dated 25th February 2009) *(In accordance with Section 18 of the JORC code Atomic advises that the quantity and quality of the coal at the Mbuyuru and Mkapa blocks is conceptual in nature. There has been insufficient exploration to define a Mineral Resource pursuant to the JORC Code, and it remains uncertain that further exploration will result in the determination of a Mineral Resource.)*

Atomic is embarking upon a verification and validation diamond drilling program due for completion before the end of 2009. This program will seek to extend the area of previous drilling and is designed to upgrade as well as extend current potential tonnage targets.

The drilling is a key step in the completion of the Bankable Feasibility studies currently under way which includes development of the coal mine for export and internal consumption as well as assistance to the Tanzanian Government in the establishment of a 400Mw power station.

Dave Holden
Managing Director

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr Holden has sufficient experience, as to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Holden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information contact:

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