

## Aquila Commences Legal Proceedings Against Vale Eagle Downs Hard Coking Coal Project

Further to its announcements of 23 February 2010 and 1 March 2010, Aquila Resources Limited (ASX: AQA "the Company" or "Aquila"), advises that its wholly owned subsidiary Aquila Coal Pty Ltd ("Aquila Coal"), has today commenced proceedings in the Supreme Court of Queensland against Vale's wholly owned subsidiary Bowen Central Coal Pty Ltd ("BCC") seeking damages. This follows on from the default notice issued to BCC by Aquila Coal in relation to the infrastructure arrangements for the Eagle Downs Hard Coking Coal Project. BCC does not agree that it is in default.

Aquila will keep the market informed of further developments as necessary.

**Tony Poli**  
**Executive Chairman**

For further information regarding this announcement, please contact Tony Poli.

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