

# CHAIRMAN'S LETTER

Dear Fellow Shareholder,

Whilst the 2009 financial year was an extremely difficult period for most, your Company has made significant progress.

We have made the transition from explorer to producer, by acquiring the Baralaba mine in December 2008. We recognised that this mine was not performing at its potential and, since acquiring the mine, we have implemented many operational improvements. A mine's performance cannot be changed instantly, but we have achieved continuously higher production rates and lower operating costs since the acquisition and we are forecasting that, with diligent work, further operating improvements will be achieved.

The acquisition of the Baralaba mine was an important step for Cockatoo. In addition to advancing the Company's status to a producer, in the longer term and with the efforts of our dedicated operations team, the mine can become strategic element in the development of the Company's Bowen Basin geological resources and tenements.

Our exploration team also had a very good year, adding 155 million tonnes of Inferred resources in the Surat Basin, and 18 million tonnes of Indicated resources in the Bowen Basin. The Company's extensive tenements in both these areas remain highly prospective and warrant further exploration.

The Company continues to invest in the proposed infrastructure developments of the Surat Basin Railway and Wiggins Island Coal Export Terminal to position itself for future access to our forward looking growth as an expanding coal mining and exporting company.

I would like to note that our shareholders, large and small, continued to support the capital needs of the Company, and I would like to express the Board's gratitude for that vote of confidence.

Finally, we are fortunate to have a highly skilled and motivated workforce, and I would like to thank them all for their efforts.

Yours sincerely



**Norman A. Seckold**  
Chairman