



AUSTRALIAN BAUXITE LIMITED

ASX: ABZ

ASX ANNOUNCEMENT

6 October 2011

Marubeni to participate in Goulburn Bauxite Project Pre-Feasibility Study

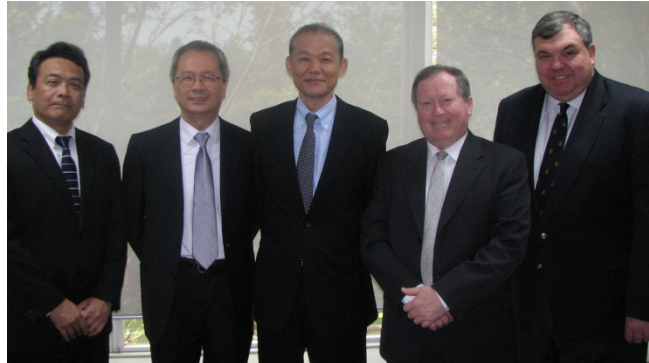
Australian Bauxite Limited (ASX: ABZ) (**ABx**) and Marubeni Corporation (**Marubeni**) have concluded a Memorandum of Understanding to jointly conduct a pre-feasibility study in relation to the Goulburn-Taralga bauxite project located in New South Wales, Australia.

A 25 million tonne bauxite resource has been declared at Taralga² and Marubeni will contribute 35% toward the Pre-feasibility funding, estimated to be \$1.5 million.

ABx will conduct the pre-feasibility study with participation by Marubeni, which will investigate the market for bauxite and other credits produced from the Goulburn-Taralga bauxite project.

At the completion of the pre-feasibility study Marubeni can elect to acquire a 35% joint venture interest in the Goulburn-Taralga bauxite project and to contribute 35% of the bankable feasibility and development costs. Marubeni will help arrange the finance for the first bauxite project.

Ian Levy, ABx CEO welcomed Marubeni's participation; "We welcome the confidence shown in Australian Bauxite by one of the world's leading metals and resources companies. Marubeni has the global trading network and skills to find the ideal customers for our speciality bauxite products. This relationship will decrease market risk and expedite the funding and development of our first bauxite production."



(l-r) Makoto Kajitani (Chairman & Managing Director, Marubeni Australia Ltd), Vincent Tan (Director ABx), Shinji Kawai (Managing Executive Officer, Marubeni Corporation), Ian Levy (CEO ABx), Peter Meers (Chairman ABx)

About Marubeni Group

- One of the largest General Trading Companies in Japan by turnover, founded in 1858
- Publicly listed on the Tokyo, Nagoya and Osaka Stock exchanges (8002.T), with a market capitalisation of US\$ 12.5 Billion at 31 March 2011.
- Global trader of a wide range of commodities, it conducts business investment, development and management on a global basis with 119 offices in 69 countries
- In the field of industrial services, Marubeni combines engineering functions and risk management capabilities in various fields such as Renewable Energy, Power and Water Projects, Oil and Gas, Metals and Mineral Resources, Pulp & Paper, Transportation Infrastructure, and Food materials & products.
- Marubeni is a 22.5% owner of Portland Aluminium Smelter, located in Portland in South West Victoria and also owns 8% interest in Boyne Smelters (Line 3), which is located in Boyne Island in Queensland, Australia's largest aluminium smelter. In addition, Marubeni is also a 6.67% owner of Alouette Aluminium Smelter, located in Canada, North America's largest aluminium smelter.

For further information please contact:

Chief Executive Officer, Ian Levy, Australian Bauxite Limited

Telephone: +61 2 9251 7177

Fax: +61 2 9251 7500

www.australianbauxite.com.au

Email: corporate@australianbauxite.com.au

AUSTRALIAN BAUXITE LIMITED

ACN 139 494 885

Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000

P: +61 2 9251 7177 F: +61 2 9251 7500 E: corporate@australianbauxite.com.au



| Permit Number | Project Name | Status |
|---------------|-----------------------|-----------------|
| EL 7269 | Windellama | Renewal Pending |
| EL 7279 | Wingello West | Renewal Pending |
| ELA 4038 | Wingello Extended | Application |
| EL 7357 | Taralga | Granted |
| EL 7681 | Taralga Extension | Granted |
| ELA 4323 | Taralga 2nd Extension | Application |
| ELA 4350 | Taralga 3rd Extension | Application |
| EL 7360 | Trundle | Granted |
| EL 7641 | Trundle Extension | Granted |
| EL 7601 | Bungonia | Granted |
| EL 7546 | Penrose | Granted |

Goulburn-Tarlga bauxite project tenements (at September 2011)

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 37 bauxite tenements in Queensland, NSW and Tasmania covering 8,500 km² were rigorously selected on 3 principles:

1. good quality bauxite;
2. proximity to infrastructure connected to export ports; and,
3. free of socio-environmental or native title land constraints.

All tenements are 100% owned and free of obligations for processing and third-party royalties. ABx has already discovered many bauxite deposits and new discoveries are still being made as knowledge and expertise grows.

The company's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally. **Global resources declared to date are 68 million tonnes.** At the company's first drilling prospect in Inverell, northern NSW, an interim resource of 35 million tonnes¹ has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 25 million tonnes² of bauxite has been reported at the Taralga project in southern NSW. 6 million tonnes maiden resource was declared at Guyra³. Results from the Binjour Plateau in central QLD confirm that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality. Australian Bauxite Limited aspires to identify large bauxite resources in the Eastern Australian Bauxite Province which is emerging as one of the world's best bauxite provinces.

ABx has the potential to create significant bauxite developments in three states - Queensland, New South Wales and Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local and export customers.

ABx endorses best practices on agricultural land, strives to leave land and environment better than we find it. We only operate where welcomed.

Qualifying statement

The information in this announcement that relate to Exploration Information are based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and are directors of Australian Bauxite Limited.

Mr Rebek and Mr Levy have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Rebek and Mr Levy have consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

The following are JORC-compliant Public Reports released to the ASX declaring the JORC resources referred to in this release. These can be viewed on the ASX website and the Company will provide these reports, free of charge on request.

¹ 02/09/2010 ASX Inverell JORC Resource Update

² 12/05/2011 ASX Taralga Bauxite Resource Doubled to 25 Million Tonnes

³ 15/08/2011 ASX Maiden Guyra Resource, 6 Million Tonnes