



ASX: CVI  
NASDAQ OTCBB: CTWWF

ASX / MEDIA RELEASE

July 13, 2009

### **CityView Announces Participation in two South African Coal Projects**

CityView Corporation Limited ("CityView") ASX: CVI, OTCBB: CTWWF announces that it has agreed, subject to due diligence, to acquire a net 18.325% of a specialist coal fines company in South Africa ("SAFL").

SAFL owns stocks of coal fines, being coal particles usually of less than one-sixteenth of an inch in diameter, and is constructing two coal briquette plants, utilising proprietary technology, and with in-feed systems, each accommodating 100 tonnes/hour of wet, fine coal or slurry. An independent report is being commissioned to report on SAFL.

The purchase price of CityView's proposed interest is calculated to be US\$30 million payable as follows:

- (i) assignment to the vendors of a CityView receivable of US\$10,172,807; and
- (ii) issuance of US\$19,827,193 vendor finance 5% interest Notes, repayable from 66% of CityView's share of SAFL's cash flow: the remaining 34% to be retained by CityView for working capital.
  - (a) the vendor finance Notes shall be adjustable upwards or downwards by a direct relationship between CityView's net 18.325% and a three times multiple of SAFL's audited first year EBITDA calculated from commencement of commercial production.

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- 2 -

- (b) the proposed purchase price of US\$30 million is based upon a projected EBITDA of US\$54.57 million.
- (c) for example, if first year EBITDA is US\$50 million (instead of the base case US\$54.57 million), CityView's purchase price shall be reduced to US\$27.489 million: the Notes being adjusted accordingly downwards from US\$19,827,193 to US\$17,316,193.

CityView also announces that it has agreed, subject to ongoing due diligence, the terms for the acquisition of a 49% interest in a private company which owns 74% of a South African coal company ("SACO"), the remaining 26% being held by Black Empowerment Enterprise. SACO owns anthracitic and coking coal deposits in the Utrecht coal province in Northern KwaZulu Natal. During the due diligence period CityView is required to keep confidential full details of the proposed acquisition.

Venmyn Rand (Pty) Limited has been commissioned to prepare a report on the SACO assets, including the gross in-situ coal resource tonnage being offered and the stockpile of coal on site available for shipment after processing through a washer plant.

Following completion of CityView's due diligence and technical analysis, the purchase consideration shall be US\$33 million payable as follows:

- (i) US\$10 million loan facility convertible at Aus1.25 cents per share; and
- (ii) US\$23 million vendor finance 5% interest Notes, repayable from CityView's share of project cash flow.



Mark Smyth  
Chief Executive Officer