

6 February 2012

ASX ANNOUNCEMENT

Cuesta Coal Announces Maiden Thermal Coal Resource for East Wandoan

Argonaut Resources NL is pleased to announce that Cuesta Coal Limited ("Cuesta Coal") has announced a maiden thermal coal resource at its East Wandoan Project.

A copy of the announcement by Cuesta Coal is attached to this release.

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Cuesta announces maiden 23.9 Mt Thermal Coal resource for East Wandoan

- **Maiden JORC resource achieved after 1 year of exploration**
- **Significant increase in resource estimate expected in 2012**
- **Drilling to recommence at East Wandoan in late March to expand resource**
- **On track for proposed IPO on ASX in March 2012**

6 February 2012: Cuesta Coal Limited ('Cuesta Coal') is pleased to announce the results of the initial maiden JORC resource estimate for the company's East Wandoan project in the Surat Basin in Queensland (Figure 1). The East Wandoan project consists of EPCs 1955, 2237 and EPCAs 1987, 2481.

The independent estimate, carried out by Encompass Mining Pty Ltd ('Encompass Mining'), estimated a total inferred coal resource of 23.9Mt calculated in accordance with the JORC code. The estimate is in line with Cuesta Coal's expectations.

The total of the Company's Inferred Resource across the Moorlands and East Wandoan projects now totals 51.2 Mt

The resource area is present in the south western corner of EPC1955 (Figure 2). There are a total of 5 seams present in the area, A to E inclusive. The A to C seams are included in the current resource estimate.

Full coal quality data of the cored plies (Table 2) indicates that the coal has low sulphur and ash and energy levels consistent with Surat Basin Coals.

Cuesta Coal expects to significantly increase the size of the maiden resource estimate in the coming months. A 3000m drilling program at East Wandoan is planned to commence in late March of this year and this will be the first step in building a large resource at this project.

Closer spaced drilling in the current resource area should be sufficient to allow the lower two seams to be more clearly defined and included in the resource estimate. The current resource area is open to the north and east, and further drilling outside of the current resource area is planned as part of the 2012 drilling campaign (Figure 2).

Cuesta Coal's Managing Director Mr Matthew Crawford said: "The initial JORC resource estimate for the East Wandoan Project is another significant milestone for Cuesta. We are focussed on developing all of our projects and to be able to report a JORC compliant resource estimate, within one year of commencing drilling, at East Wandoan is particularly encouraging. It illustrates the strength and capabilities of our technical team and the quality of our projects.

"Cuesta is actively progressing with its capital raising activities and we continue to target a possible ASX listing in the first quarter of this calendar year. With drilling expected to commence shortly at East Wandoan, a strong asset portfolio, and the recent agreement with Beijing Guoli Energy Investment Co. Ltd ("Guoji") to invest \$20 million into the company (subject to due diligence), Cuesta is well placed for growth."

About Cuesta Coal Limited

Cuesta Coal Limited (Cuesta Coal) was formed in September 2011 to acquire all the securities on issue in a private Queensland focused Australian coal exploration company called Blackwood Coal Pty Limited (Blackwood Coal) in preparation for a public listing.

Blackwood Coal is a coal exploration and development company established in November 2009. Since then the Company has acquired a portfolio of 33 EPCs/EPCAs in the Bowen, Surat/Clarence Moreton and Galilee coal basins in Queensland, 9 of which have been granted. It has a pipeline of projects which range from advanced exploration requiring resource definition drilling to conceptual lateral opportunities to be tested by scout drilling.

Cuesta Coal is seeking to list on the ASX in Q1 of 2012 and Austock have been appointed as the Lead Manager.

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Appendices:

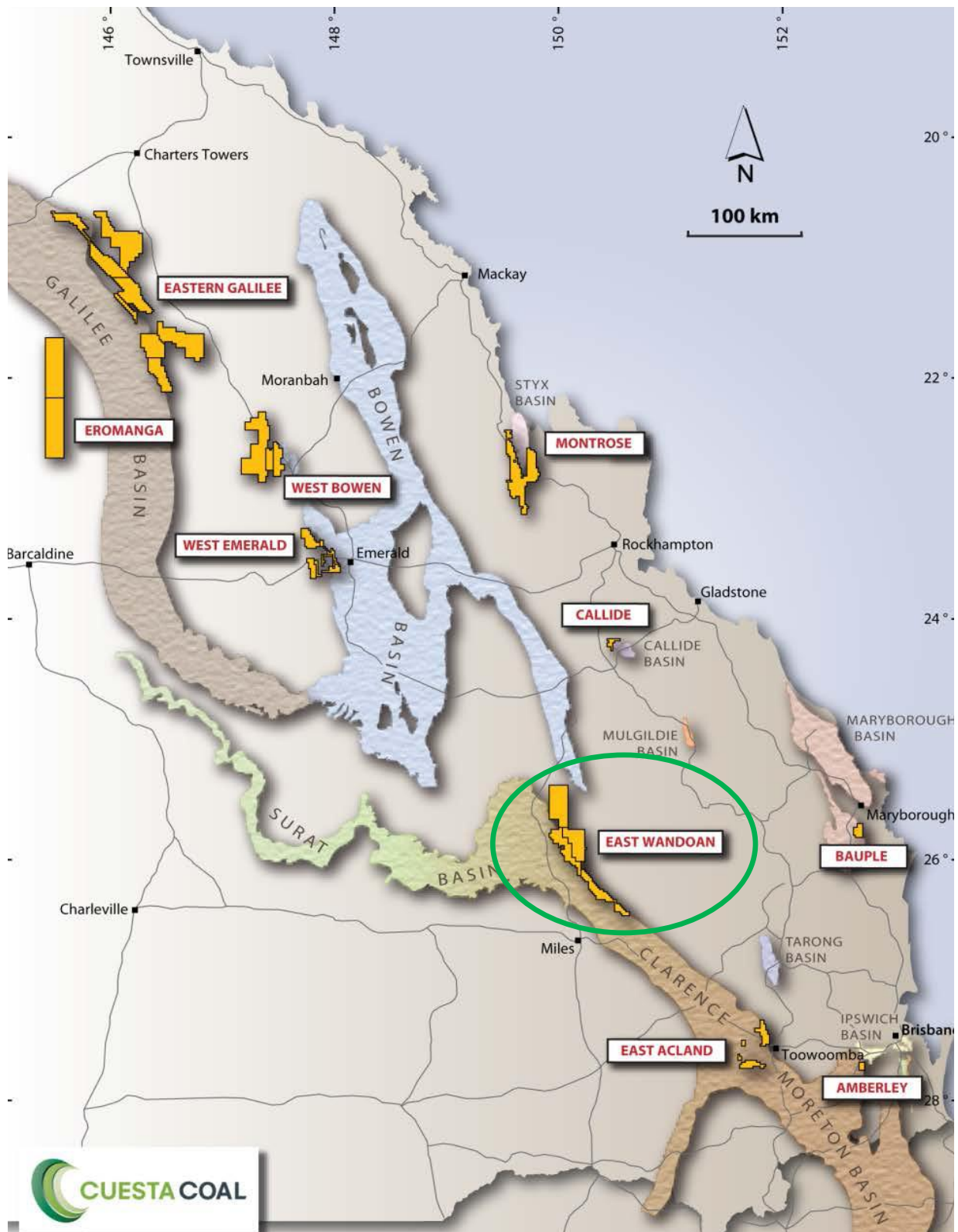


Figure 1 – Cuesta Coal's tenements in QLD

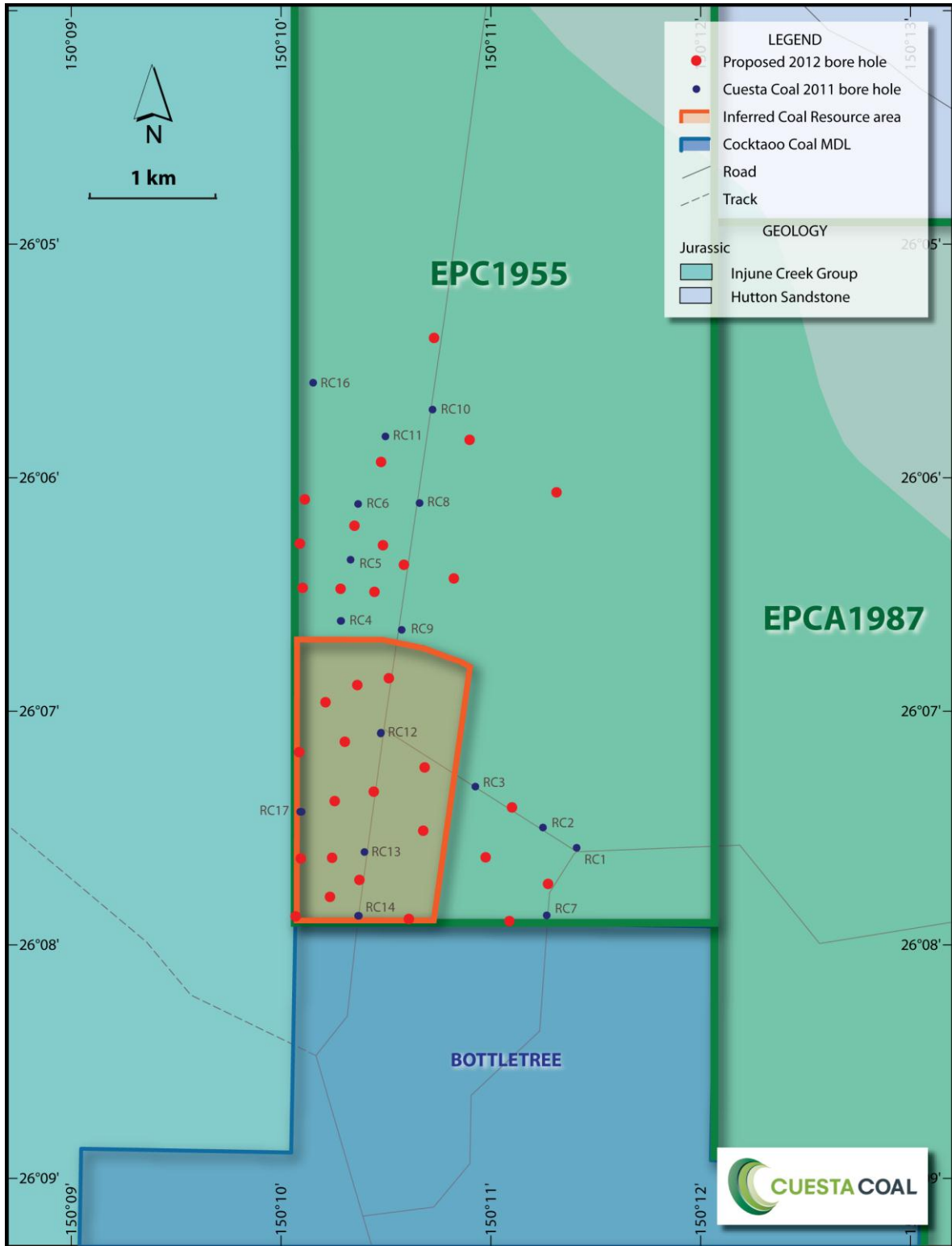


Figure 2 – East Wandoan project

Table 1 – East Wandoan Project Resource table

Resource and Reserve Statement							
	Coal Resources (Mt)				Coal Reserves (Mt)		
	Measured	Indicated	Inferred	Total	Proved	Probable	Total
East Wandoan Deposit	0	0	23.9	23.9	0	0	0

Competent Persons Statement

A report entitled 'East Wandoan Project JORC Resources dated 2nd February 2012, has been made by Lyndon Pass of Encompass Mining, and it reflects his current view of the East Wandoan coal deposit resource. In the future, as additional information may become available, this view could be subject to modification. The full report contains detailed information regarding the East Wandoan deposit.

Lyndon Pass is a Member of the Australian Institute of Mining & Metallurgy (AusIMM). Lyndon Pass consents to the inclusion in the current document of the matters concerning Coal Resources at East Wandoan based on his information in the form and context in which they appear. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Reserves' published by the Joint Ore Reserves Committee (JORC).

Technical Information

The below table has been directly taken from the Encompass Mining 'East Wandoan Project JORC Resources' which indicates the individual seam allocation of the inferred resource.

Table 1
Blackwood Coal Pty Ltd
East Wandoan Project (EPC 1955) Coal
Resources – 2nd February 2012
Resource Classification in Accordance with JORC Code (2004) Guidelines

Resource Category	Value	Upper Walloon Coal Measures					Total Tonnes (Mt)
		A	B	C	D	E	
Measured	Volume (Mm ³)	-	-	-	-	-	
	Relative Density (t/m ³)	-	-	-	-	-	
	Sub-total Tonnes (Mt)	-	-	-	-	-	-
Indicated	Volume (Mm ³)	-	-	-	-	-	
	Relative Density (t/m ³)	-	-	-	-	-	
	Sub-total Tonnes (Mt)	-	-	-	-	-	-
Inferred	Volume (Mm ³)	3.7	4.6	8.4	-	-	
	Relative Density (t/m ³)	1.46	1.47	1.40	-	-	
	Sub-total Tonnes (Mt)	5.4	6.8	11.7	-	-	23.9
Grand Total Tonnes (Mt)		5.4	6.8	11.7		-	23.9

Table 2 – East Wandoan Coal Quality Raw Data

Attention:		Tim Spencer											
Client:		Cuesta Coal											
Report Date:		10 November 2011											
Report No:		PS3236											
Hole:		RC0018C											
EPC:		EPC1955											
Sample No	From (m)	To (m)	Thickness (m)	Dry Mass (g)	Proximate Analysis (%ad)				Total Sulphur (%ad)	Calorific Value (MJ/kg ad)	Relative Density (g/cc)		
					Inherent Moisture	Ash	Volatile Matter	Fixed Carbon					
158659	13.10	13.20	0.10										
158660	13.20	13.40	0.20	1820.3	9.0	17.1	40.8	33.1	0.51	24.44	1.42		
158661	13.40	13.54	0.14										
158662	13.54	13.61	0.07	671.2	8.3	17.8	40.4	33.5	0.42	24.18	1.41		
158663	13.61	13.70	0.09										
158664	13.70	13.97	0.27	2667.2	9.9	9.9	42.3	37.9	0.44	26.54	1.38		
158665	13.97	14.06	0.09										
158666	14.70	14.81	0.11										
158667	14.81	15.05	0.24	2628.3	9.9	9.1	41.3	39.7	0.43	26.60	1.38		
158668	15.05	15.24	0.19	1388.3	8.8	22.1	37.3	31.8	0.49	22.55	1.47		
158669	15.24	15.30	0.06										
158670	17.24	17.28	0.04										
158671	17.28	17.80	0.52	5405.8	8.9	23.6	35.8	31.7	0.49	21.29	1.49		
158672	17.80	17.86	0.06										
158673	22.47	22.94	0.47	5714.1	7.1	37.1	32.7	23.1	0.44	17.62	1.61		
158674	37.22	37.31	0.09										
158675	37.31	37.71	0.40	3616.7	8.2	8.7	45.6	37.5	0.46	28.27	1.32		
158676	37.71	38.27	0.56	7347.2	8.3	42.6	27.8	21.3	0.30	14.20	1.71		
158677	38.27	38.39	0.12										
158678	38.39	38.51	0.12	1364.6	9.4	26.6	33.2	30.8	0.37	20.18	1.53		
158679	38.51	38.61	0.10										
158680	65.44	65.60	0.16	1507.8	9.8	35.1	29.4	25.7	0.44	16.89	1.63		
158681	66.50	66.53	0.03										
158682	66.53	67.10	0.57	6106.7	8.9	18.8	39.1	33.2	0.45	23.39	1.46		
158683	67.10	67.86	0.76	8121.0	9.4	16.4	39.0	35.2	0.32	24.11	1.44		
158684	67.86	68.03	0.17										
158685	68.03	68.50	0.47	4890.7	9.0	16.8	39.3	34.9	0.44	24.51	1.43		
158686	68.50	68.61	0.11										
158687	68.61	68.90	0.29	3122.5	8.0	19.9	38.5	33.6	0.47	24.05	1.44		
158688	68.90	69.00	0.10										
158689	90.10	90.17	0.07										
158690	90.17	91.08	0.91	9461.3	9.1	12.8	39.6	38.5	0.51	25.96	1.41		
158691	91.69	91.74	0.05										
158692	91.74	92.50	0.76	7616.2	8.5	10.9	42.6	38.0	0.44	26.86	1.38		
158693	92.50	93.20	0.70	7423.0	8.0	17.8	40.1	34.1	0.46	24.32	1.44		
158694	93.20	94.20	1.00										
158695	94.20	94.48	0.28	10363.1	7.5	13.9	43.5	35.1	0.62	26.44	1.40		

Attention:		Tim Spencer											
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Hole:		RC0019C											
EPC:		EPC1955											

Sample No	From (m)	To (m)	Thickness (m)	Dry Mass (g)	Proximate Analysis (%ad)				Total Sulphur (%ad)	Calorific Value (MJ/kg ad)	Relative Density (g/cc)
					Inherent Moisture	Ash	Volatile Matter	Fixed Carbon			
158696	13.35	13.41	0.06								
158697	13.41	13.80	0.39	4224.5	8.4	13.4	41.1	37.1	0.49	25.24	1.38
158698	13.80	13.87	0.07								
158699	16.51	16.62	0.11								
158700	16.62	16.75	0.13	1229.3	9.1	23.6	33.8	33.5	0.90	20.87	1.52
158701	16.75	17.01	0.26								
158702	17.01	17.46	0.45	5323.4	6.5	30.9	37.1	25.5	0.43	19.61	1.54
158703	17.78	18.03	0.25	2861.8	8.1	30.8	33.8	27.3	0.46	17.98	1.59
158704	18.39	18.68	0.29	3100.6	8.8	13.0	40.9	37.3	0.66	25.47	1.39
158705	18.68	18.75	0.07								
158706	52.40	52.91	0.51	6665.4	5.9	41.6	33.3	19.2	0.41	15.31	1.67
158707	52.91	53.65	0.74	7625.4	7.2	13.6	43.1	36.1	0.48	26.06	1.37
158708	53.65	54.18	0.53	5640.5	7.5	16.8	40.3	35.4	0.47	24.21	1.42
158709	54.18	54.57	0.39	4131.8	6.8	19.8	40.3	33.1	0.52	23.05	1.46
158710	54.57	54.78	0.21								
158711	54.78	55.00	0.22	2203.4	6.8	15.6	42.0	35.6	0.54	24.80	1.40
158712	55.00	55.64	0.64	7056.4	6.9	20.4	38.2	34.5	0.54	23.10	1.45
158713	55.64	55.70	0.06								
158714	74.13	74.70	0.57	6400.3	6.5	24.4	35.4	33.7	0.41	22.04	1.47
158715	75.10	75.34	0.24	2576.5	7.0	9.9	43.6	39.5	0.42	27.54	1.34
158716	76.45	76.53	0.08								
158717	76.53	77.21	0.68	7523.7	6.6	25.4	36.2	31.8	0.26	21.33	1.52
158718	77.21	77.83	0.62	6327.5	6.6	13.3	42.6	37.5	0.28	25.69	1.38
158719	77.83	78.68	0.85	9162.7	6.0	19.7	41.1	33.2	0.30	23.54	1.44
158720	78.68	79.28	0.60	7864.7	5.5	45.3	27.1	22.1	0.21	14.57	1.72
158721	79.28	79.77	0.49	4830.0	6.8	14.8	42.1	36.3	0.31	25.59	1.40
158722	80.02	80.34	0.32	3498.4	4.9	23.2	41.7	30.2	0.31	23.11	1.46
158723	80.34	80.69	0.35	3404.2	7.3	6.8	45.0	40.9	0.39	28.73	1.34
158724	80.96	81.32	0.36	3886.6	6.5	21.6	38.8	33.1	0.42	22.72	1.51
158725	81.75	82.58	0.83	8368.5	7.0	11.8	42.2	39.0	0.37	26.27	1.40
158726	83.33	83.61	0.28	3441.2	7.4	35.3	29.5	27.8	0.41	17.73	1.65
158727	86.33	86.81	0.48	5976.6	7.5	40.8	28.1	23.6	0.35	15.48	1.71
158728	86.81	87.30	0.49	5062.3	7.0	9.7	43.4	39.9	0.44	27.08	1.36
158729	87.30	87.67	0.37	4459.1	6.5	41.9	27.7	23.9	0.27	15.21	1.74

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Sample No	From (m)	To (m)	Thickness (m)	Dry Mass (g)	Proximate Analysis (%ad)				Total Sulphur (%ad)	Calorific Value (MJ/kg ad)	Relative Density (g/cc)
					Inherent Moisture	Ash	Volatile Matter	Fixed Carbon			
158730	16.21	16.30	0.09								
158731	16.30	17.10	0.80	8738.8	6.2	24.6	40.7	28.5	0.45	22.55	1.46
158732	20.66	20.72	0.06								
158733	20.72	21.06	0.34	3495.4	7.0	20.7	40.1	32.2	0.36	22.77	1.48
158734	21.68	21.77	0.09								
158735	21.77	22.60	0.83	8209.6	7.4	13.7	42.2	36.7	0.35	25.43	1.39
158736	51.60	51.67	0.07								
158737	51.67	52.31	0.64	6485.2	7.0	16.3	39.5	37.2	0.44	24.63	1.43
158738	52.46	53.20	0.74	6635.4	7.2	10.6	42.2	40.0	0.43	26.86	1.36
158739	53.20	53.65	0.45	5925.7	6.5	22.8	38.2	32.5	0.43	22.13	1.48
158740	53.65	54.25	0.60	5611.4	7.1	12.6	41.6	38.7	0.42	26.32	1.40
158741	54.25	54.70	0.45								
158742	55.02	55.16	0.14	1410.2	7.4	7.2	44.3	41.1	0.46	28.46	1.34
158743	55.16	55.26	0.10								
158744	55.26	55.65	0.39	2533.6	7.0	18.0	39.7	35.3	0.57	24.73	1.44
158745	58.10	58.16	0.06								
158746	58.16	58.59	0.43	4357.6	7.4	13.3	40.9	38.4	0.50	25.77	1.41
158747	59.35	59.58	0.23								
158748	59.58	59.90	0.32	3736.8	8.2	18.4	36.9	36.5	0.55	23.36	1.48
158749	71.26	71.77	0.51	5056.8	7.9	8.4	41.5	42.2	0.51	27.39	1.36
158750	72.57	72.81	0.24	2974.7	6.8	50.7	20.4	22.1	0.35	12.46	1.84
158751	72.81	73.52	0.71	7776.8	8.2	17.0	39.5	35.3	0.59	24.15	1.44