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GIRALIA SECURES AMCI CAPITAL AS A STRATEGIC SHAREHOLDER

SALE OF GIRALIA'S SHAREHOLDING IN RED HILL IRON TO AMCI INVESTMENTS AND FIRST RESERVE CORPORATION

Giralia Resources NL (ASX-"GIR") and American Metals & Coal International Inc. ("AMCI") have reached agreement on two separate major transactions that will result in the injection of a minimum of approximately \$70 million into Giralia, through the sale of Giralia's 16.8% stake in Red Hill Iron Limited at a significant premium to market, and a share placement, again at a significant premium.

The Directors of Giralia Resources NL ("Giralia") are pleased to announce today that it has:

- agreed to sell all of the shares it owns in Red Hill Iron Limited ("Red Hill Iron") to AMCI Investments Pty Ltd ("AMCI Investments") and First Reserve ("First Reserve"); and
- secured the strategic support of AMCI Capital LP ("AMCI Capital") as its new major shareholder via a 9.9% share placement.

Following the transactions, Giralia will have approximately \$77 million in cash. The funds raised will be used principally to accelerate exploration and development of Giralia's extensive project portfolio, particularly the Company's wholly owned iron ore assets.

Sale of Giralia's shareholding in Red Hill Iron to AMCI Investments and First Reserve

Giralia has entered into a binding agreement to sell all of the shares it owns in Red Hill Iron, being 6,643,333 shares, to AMCI Investments and First Reserve.

Giralia has agreed to sell 4,000,000 shares in Red Hill Iron immediately to AMCI Investments and First Reserve for \$7.00 per share and the parties have put and call options in respect of the remaining 2,643,333 shares, exercisable at \$7.00 per share by Giralia on 1 July 2008 or by either party at a market-based price between 2 July 2008 and 30 June 2009 (although the call option is exercisable earlier if a takeover or similar transaction for Red Hill Iron is announced).

This transaction is the result of Giralia receiving an unsolicited offer from AMCI Investments and First Reserve to acquire Giralia's shareholding in Red Hill Iron. The Directors of Giralia believe the offer price of \$7.00 per share represents an attractive and substantial premium to Red Hill Iron's recent and historical trading prices.

The sale of 1,440,000 of the second tranche of shares in Red Hill Iron is conditional on AMCI Investments and First Reserve obtaining approval under the Foreign Acquisitions and Takeovers Act. The agreements relating to the placement of Giralia shares and sale of Red Hill Iron shares will be annexed to the corresponding substantial shareholder notices to be lodged.



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Giralia secures AMCI Capital as a strategic shareholder

In a separate, subsequent and unrelated transaction, Giralia has secured AMCI Capital as a strategic shareholder via a 9.9% share placement. AMCI Capital is an \$800 million resources and energy focused private equity venture managed by Hans Mende, President and co-founder of AMCI, and Mike Salamon, former executive director of BHP Billiton.

AMCI Capital has agreed to subscribe for 17,500,000 ordinary shares in Giralia at an issue price of \$1.30 per share, to raise \$22.8 million. AMCI Capital's shareholding will represent 9.9% of Giralia's issued shares (including the shares issued to AMCI Capital).

The placement price represents a substantial premium to Giralia's recent trading prices.

The placement to AMCI Capital will provide Giralia with considerable financial capacity and places Giralia in a position to accelerate the progress of its projects, with a view to maximising value from its assets for its shareholders.

Commenting on the transaction, Hans Mende, partner of AMCI Capital said:

"This investment provides AMCI Capital exposure to an attractive set of assets with a strong operating partner in Giralia. We are excited to work with Giralia to grow the value of its assets."

Giralia's Chairman Graham Riley said,

"The Company welcomes AMCI Capital onto its register as a cornerstone investor. AMCI Capital has a proven record of financing and fast tracking the development of major infrastructure and minerals projects. The transaction will transform Giralia, and underlines the quality of both the Company's management and its skills in project acquisition and early stage value addition through discovery premium. We are pleased to have been able to complete the placement at an attractive valuation notwithstanding the volatile equity markets.

This significant injection of funds will enable the accelerated development of Giralia's wholly owned iron ore assets, and vindicates the Company's strategy of value creation through commodity-specific spin outs. It also represents the first transaction to realise and lock in the full value of one of these strategic shareholdings, and demonstrates the belief and commitment of a recognised major private international resource investor in the Company and its future.

The Company will continue working to lock in further gains from the management of its portfolio of substantial shareholdings created through this corporate strategy."

For further information please contact:

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About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a mineral exploration company based in Perth, Western Australia, focussed on aggressively exploring a high quality suite of prospects, including five wholly owned iron ore projects (see below), the Lake Frome Joint Venture around the operating Beverley uranium mine in South Australia, the 100% owned 170,000 ounce Snake Well gold project and the Daltons nickel sulphide Joint Venture.

Giralia's 100% owned iron ore projects in Western Australia are the Company's major exploration and development focus:

Beebyn – Hematite (MidWest) – Adjoins Midwest-Sinosteel JV Weld Range deposits. Initial JORC resource **7.2 million tonnes @ 57.2% Fe**. Major upside at nearby Beebynganna Hills project, where 7 new zones of hematite have been discovered.

Western Creek – Hematite (10 km W of Newman) – Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Recent Giralia drilling includes **50 metres @ 60.4% Fe** from surface.

Earaheedy – Hematite (200 km S of Newman) – Historic surface samples; 75 metres @ 62 %Fe, drilling; 14 metres @ 59.3% Fe. 23 known hills with rock sample grades over 57% Fe, within 130 kilometres of iron formations on Giralia tenements, with shallow dips indicating large tonnage potential.

McPhee Creek – CID (Pilbara) – Channel iron deposit (CID) mesa 3.5 km long, surface grades of 58.7 % Fe, drilling to 57.3% Fe.

Yerecoin – Magnetite (150 km from Perth) – 1 km to railway. Coarse magnetite; 70.1 % Fe from initial DTR testwork

Giralia holds significant stakes in 7 ASX listed companies (shown below) which are held largely as a result of the spin-off of independently managed and funded companies over the last 2 years. The spin-off strategy has resulted in the anticipated acceleration of several major, drill-intensive projects previously held by Giralia toward development, whilst Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

PacMag Metals Limited	("ASX: PMH")	copper	(Giralia~11.1% stake)
Red Hill Iron Limited	("ASX: RHI")	iron ore	(Giralia~16.8% stake)
U3O8 Limited	("ASX: UTO, UTOO")	uranium	(Giralia~12% stake)
Zinc Co Australia Limited	("ASX: ZNC,ZNCO")	zinc	(Giralia~12% stake)
Carpentaria Exploration Limited	("ASX:CAP")	NSW, Qld	(Giralia~10.4% stake)
Hazelwood Resources Ltd	("ASX: HAZ")	nickel	(Giralia~5.8% stake)
Peninsula Minerals Limited	("ASX: PEN, PENO")	uranium	(Giralia~2% stake)

About AMCI Capital LP

AMCI Capital is a resources and energy focused private equity venture established in late 2006 with US\$800 million in capital commitments. AMCI Capital is managed by Hans Mende, President and co-founder of AMCI, and Mike Salamon, former executive director of BHP Billiton. AMCI is a private global mining, investment and trading corporation operating in the resources industry since 1986 and is active across the full range of ferrous and non-ferrous commodities and associated infrastructure. It presently has operations in Australia, South Africa, Mozambique, China, Europe and America. AMCI Capital is a strategically oriented investor which brings to bear the industry experience and insights of its staff and global network.

About AMCI Investments Pty Ltd

AMCI Investments Pty Ltd is the head Australian company for the global AMCI group, a private global mining, investment and trading corporation operating in the resources industry, with operations in Australia, USA, Europe, China, South Africa and Latin America. Currently AMCI holds substantial equity stakes in: Quintana Maritime Ltd of the Marshall Islands (NASDAQ: QMAR); and privately held, New World Resources B.V. of the Netherlands, which includes the Czech Republic's sole hard coal mining company. AMCI's current investments in Australia include substantial equity stakes in Aquila Resources (ASX: AQA), Whitehaven Coal (ASX: WHC), Gloucester Coal (ASX: GCL), and Straits Resources (ASX: SRL).

About First Reserve Corporation

First Reserve is the world's leading private equity firm in the energy industry. The firm is currently investing its most recent fund which closed in 2006 at approximately US\$8 billion. Throughout its 25-year history, First Reserve has developed a strong franchise of investing exclusively in the energy industry, utilising its broad base of specialised industry knowledge. First Reserve believes that strategic diversification across a wide range of energy industry sectors has been a major contributor to the long-term, superior investment record achieved by the First Reserve Funds across economic cycles. For more information on First Reserve, visit www.firstreserve.com.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy. R M Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Reserves'. R M Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.