



**GUILDFORD**  
COAL

# MOU COAL TRANSPORT - HUGHENDEN

11 November 2010

ASX: GUF

## SHARE INFORMATION

Issued Shares: 360m  
Listed Options: N/A  
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## BOARD OF DIRECTORS

Chairman: C. Ransley  
MD: M. Avery  
Non-Exec: M. Chester  
Director: N. St George

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## KEY PROJECTS

HUGHENDEN (80%)  
Location:  
Galilee Basin, QLD

SIERRA (100%)  
Location:  
Bowen Basin, QLD

MARYBOROUGH (100%)  
Location:  
Maryborough Basin, QLD

## GUILDFORD AND AUSTRALIAN RAILROAD GROUP (ARG) SIGN MOU FOR SUPPLY CHAIN SOLUTION FOR HUGHENDEN COAL PROJECT

- Guildford Coal Limited is pleased to announce the execution of a Memorandum of Understanding (MOU) with ARG, a subsidiary of QR National.
- Guildford Hughenden Project is located at the northern end of the coal bearing Galilee Basin in Queensland, Australia with the Mt Isa Rail line running across the project area.
- ARG is the specialist bulk freight subsidiary of QR National, Australia's largest rail freight company.
- Formalisation of this relationship with a leading bulk freight specialist is a further milestone in the execution of the Hughenden Project pre-feasibility plan.
- This MOU forms part of the Guildford strategy to run the logistics, environmental assessment and project exploration and evaluation in parallel to maximise shareholder value by expediting the delivery of coal to market.



## MOU OVERVIEW

Guildford Coal Limited is pleased to announce the execution of a Memorandum of Understanding (MOU) with Australian Railroad Group (ARG).

The parties have agreed to commence the development of a pit to ship supply chain solution for the initial Hughenden Project open cut mine development and utilise currently existing rail capacity available on the Mt Isa Rail Line which runs across the Hughenden Project.

The logistics solution would be implemented if favourable results are received from the current drilling program and are followed by a decision that the Hughenden Project is economically and technically feasible.

Formalisation of this relationship with a leading bulk freight specialist is a further milestone in the execution of Guildford's Hughenden Project strategy to run the logistics, environmental assessment, and project exploration and evaluation in parallel to maximise shareholder value by expediting the delivery of coal to market.

## HUGHENDEN PROJECT OVERVIEW

- Located in the northern end of the coal bearing Galilee Basin in Queensland, Australia
- Estimated 18,000 square kilometres of exploration permit applications for coal of which an estimated 6,000 square kilometres have been granted as at 30 September 2010
- Targeting substantial export thermal coal resources with open cut and underground mining potential
- Located in close proximity to infrastructure with the Mt Isa rail line running across the project area

## ABOUT ARG

ARG is the specialist bulk freight subsidiary of QR National, Australia's largest rail freight company.

ARG is part of QR National's Freight operating division and operates as two divisions, ARG Bulk West and ARG Bulk East. ARG Bulk West handles bulk mineral commodities (including iron ore), agricultural products and mining and industrial inputs in Western Australia; and ARG Bulk East primarily handles bulk mineral commodities, mining and industrial inputs, grain, fertiliser and sugar products in Queensland.

## ABOUT GUILDFORD COAL

Guildford Coal has established a portfolio of coal exploration tenement areas in Queensland, Australia. Guildford Coal's tenements cover an estimated area of in excess of 21,000 square kilometres and are defined within project areas as follows:

- Hughenden Project (Galilee / Eromanga Basins);
  - FTB (Qld) Pty Ltd (Guildford 80%)
  - Orion Mining Pty Ltd (Guildford 80%)
  - Old White Mountains Coal Mine – EPC1250 (Guildford 100%)
- Maryborough Project (Maryborough Basin).



## **GUILDFORD** COAL

- Sierra Project (Bowen Basin);
- Comet Project (Bowen Basin);
- Sunrise Project (Surat/Bowen Basin);
- Monto Project (Nagoorin Graben).

Guildford Coal's key objective is to create shareholder value through the identification, securing and exploration and potential development of coal deposits, with a focus on the prime coal regions of Queensland.

In order to achieve this objective, Guildford Coal intends to:

- Drill and assess existing exploration permits with the aim of establishing JORC compliant resources;
- Complement and diversify Guildford Coal's existing portfolio through potential application for, and acquisition of additional coal assets;
- Undertake project development for high priority targets where economic coal deposits are proven; and
- Ultimately produce and sell a variety of coal products into export markets if successful in exploration objectives.

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