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Company Announcements Platform
Australian Stock Exchange
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Guildford Commences Drilling and Intersects Coal in Mongolia

On 31 March 2011, Guildford announced the acquisition of a 20% stake in Terra Energy LLC with the option to increase its shareholding to 70%. Terra Energy LLC holds a 100% interest in 6 exploration licenses that are prospective for thermal and coking coal in the South Gobi and Middle Gobi regions. The South Gobi Project consists of 4 exploration licenses and the Middle Gobi Project consists of 2 exploration licenses.

Drilling has commenced with 2 drills operating in the South Gobi Project and 1 drill operating in the Middle Gobi Project. The first hole in the South Gobi Project has been completed and has intersected approximately 8 metres net of coal contained in three coal seams with the deepest seam estimated at 87m. The exploration plan on this license aims to link in with previous historic exploration and ultimately define both the strike extent and up dip extensions of this group of seams.

The 4 South Gobi licences are believed to be locally confined with the Ovoot Khural Basin, and the coal intersected in drilling interpreted to be from Permian strata of the Deliin Shand suite. The nearby MAK and Ovoot Tolgoi mines produce high volatile bituminous coals from this same Deliin Shand Group which are marketed as a mixture of both thermal and coking coal products.

A mining licence application is being prepared for the South Gobi Licence currently being drilled and is expected to be lodged in the 3rd quarter 2011.

For and on behalf of Guildford Coal Limited

Mr Michael Avery
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