

GUILDFORD COAL LIMITED
CHAIRMAN'S ADDRESS TO
EXTRAORDINARY GENERAL MEETING



6 July 2011

INTRODUCTION

Ladies and Gentlemen,

Good morning and welcome to the Extraordinary General Meeting for Guildford Coal Limited.

Let me introduce myself – I am Craig Ransley, Non-Executive Chairman of Guildford Coal Limited and Chairman of this meeting.

As we have a quorum, being a minimum of 5 shareholders, I declare this meeting open.

I propose that after making my preliminary comments and outlining some housekeeping matters for the conduct of this meeting, the Managing Director will provide the meeting with an update on the company's business. After the presentation I will proceed with the more formal aspects of the meeting (as described in the notice of meeting you have all received).

It would be appreciated if you could please turn off your mobile phone now if you have not already done so as a courtesy to your fellow shareholders.

Before proceeding, let me introduce (*to my left*) my fellow directors:

- Mr Michael Avery, the Managing Director and Joint Company Secretary
- Mr Michael Chester, a non-executive director and Chairman of the Remuneration Committee
- Mr Alan Griffiths, an independent non-executive director and Chairman of the Audit Committee
- Mrs Norah St. George, the Finance Director and Joint Company Secretary.

Also in attendance are representatives of the Company's lawyers, Middletons.

Our auditors, Ernst and Young, were notified of the meeting in accordance with the Corporations Act and are not in attendance today as the business of the meeting does not include financial or audit matters.

Also present is Lee Marshall, a representative of Link Market Services – Guildford Coal's share registrar – who will be acting as Returning Officer should a poll be called.

We are all very pleased you have joined us today for the meeting and welcome the opportunity to update you in person of the achievements and exciting developments concerning Guildford Coal. Although most of this meeting is, in compliance with the Corporations Act, formal in nature and restricted to the resolutions detailed in the notice of meeting, we hope that afterwards you will join us for informal discussions and light refreshments (which are available throughout the meeting at the rear of the room).

NOTICE OF MEETING

Notice of this extraordinary general meeting has been given to shareholders in accordance with Guildford Coal's constitution. In addition a copy of the notice of meeting has been lodged with the Australian Securities Exchange Limited and posted to all shareholders.

Does anyone not have a copy of the Notice of Meeting who would like a copy?

Replacement copies are available from Link Market Services staff at the entrance to the room.

I table the Notice of Meeting dated 3 June 2011 which is taken as read.

I would now like to deal with the business of the meeting.

BUSINESS OF THE MEETING

I'd like to invite the Managing Director, Mick Avery, to provide you with an update regarding the company's business.

The Managing Director presents the Business Update.

I will now turn to the resolutions to be considered.

RATIONALE FOR THE RESOLUTIONS

This extraordinary meeting is being held to consider certain aspects of Guildford Coal's capital structure, in particular to seek ratification of past transactions.

Under ASX Listing Rule 7.1, subject to certain exceptions, Guildford Coal is limited to issuing new securities of up to 15% of its issued capital in any 12 month period without shareholder approval.

Guildford Coal has utilised 14.87% capacity since listing on 21 July 2011. The Resolutions seek shareholder approval to refresh Guildford Coal's capacity to issue new securities, providing the company with the ability to raise additional capital in the next 12 months without first obtaining shareholder approval.

A further explanation of the Resolutions is contained in the Notice of Meeting provided to you.

The directors believe that it is in the best interests of Guildford Coal to have the benefit of being able to raise capital without first obtaining shareholder approval so that the company may have maximum flexibility to take advantage of growth and investment opportunities as they arise.

As stated in the Notice of Meeting, the directors recommend shareholders vote in favour of both of the Resolutions.

VOTING ON THE RESOLUTIONS AND PROXIES

I will be following the procedure for conducting shareholder meetings as described in the company's constitution. Broadly, all resolutions to be considered at this meeting will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands.

I wish to advise shareholders that the number of proxies received by the company, including those received by fax, as at 11.00 am on Monday 4 July 2011 was 295,990,070. Any proxies received after that time were ruled invalid as, under the company's constitution, they were received too late.

Of the proxies received in time, 295,977,070 proxy votes are deemed valid for the purpose of this meeting, unless such shares submitted for voting by proxy have been sold, or a notice has been received by the company's share registry from the registered shareholder, revoking such votes previously cast.

For each resolution, I will inform the meeting of how many proxy votes have been received and how the proxy votes are to be cast on that resolution before a vote is taken.

Before we commence I remind all persons that only shareholders present in person, persons holding valid proxies, and validly appointed corporate representatives have the right to speak and vote at this meeting. If a shareholder has appointed a proxy but is present at the meeting in person, the proxy holder is not entitled to speak or vote.

Should you have questions regarding matters other than the resolutions before you today, the Directors and Management of the Company will be available after the close of the meeting to discuss any such matters.

I will now deal with each of the resolutions in turn.

Resolution 1: Ratification of the issue of 52,083,334 shares

The first Resolution seeks to ratify the issue of shares in Guildford Coal by way of a placement to the investment funds managed by Och-Ziff Capital Management Group as announced to the Australian Securities Exchange on 8 November 2010.

As noted previously further information regarding this Resolution is set out in the Notice of Meeting.

The Resolution before you is "To consider and if thought fit, pass the following resolution as an ordinary resolution:

"To ratify for the purposes of ASX Listing Rule 7.4, the issue and allotment of 52,083,334 Shares in the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Are there any questions on the resolution?

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 295,977,070 valid proxies were received, of which–

- (a) 210,811,387 votes were in favour of the resolution;
- (b) 137,876 votes were against the resolution;
- (c) 85,001,507 abstained or provided no instruction; and
- (d) 26,300 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

With those formalities completed I now move to a vote on a show of hands.

Resolution 2: Ratification of the issue of 1,449,275 shares

The second Resolution deals with the issue of shares to Fine Select Holdings Limited as announced to the Australian Securities Exchange on 31 March 2011.

As noted previously further information regarding this Resolution is set out in the Notice of Meeting.

The Resolution before you is to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“To ratify for the purposes of ASX Listing Rule 7.4, the issue and allotment of 1,449,275 Shares in the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Are there any questions on the resolution?

As before, I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 295,977,070 valid proxies were received, of which–

- (a) 262,914,054 votes were in favour of the resolution;
- (b) 133,876 votes were against the resolution;
- (c) 32,902,840 abstained or provided no instruction; and
- (d) 26,300 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

Again, I now move to put the resolution to shareholders for a vote on a show of hands.

CLOSING OF MEETING

Ladies and Gentlemen, **that concludes the formal business of this meeting.** I do hope you will stay and take the opportunity to discuss with our directors any issues that you may care to raise about the activities of the company.

Thank you for attending this morning.

I declare the meeting closed.