



23 August 2011

Company Announcements Platform
Australian Stock Exchange
10th Floor, 20 Bond Street
Sydney,
NSW 2000

Sierra Hard Coking Coal Tenement Granted & Drilling to Commence

The Board of Guildford Coal Limited (ASX: GUF) is pleased to announce that the Sierra Tenement EPC1822 has been granted and drilling is scheduled to commence early in the last Quarter 2011.

The Sierra Project (EPC1822) is 100% owned by Guildford and has the following attributes:

- Hard coking coal target in Fair Hill, Burngrove and Crocker Formations of the Bowen Basin Queensland, Australia
- Open cut mineral resource target with an estimated 20km of strike of the Fair Hill Formation sub crop running north-south across EPC1822
- Close to rail with the Blackwater rail system cutting across the northern edge of the tenement
- Recent drilling to the immediate south by Newlands Resources Limited in their Comet Ridge Project has confirmed the concept for the Sierra Project with multiple thick intersections of up to 14m thickness of the Fair Hill formation near surface. The coal is reported by Newlands to have raw CSN values of up to 8.5.
- Based on this drilling Newlands have reported an exploration target of 200 to 250 million tonnes in their project based on 5km of strike extensions of the Fair Hill formation whilst the Guildford Sierra Project has an interpreted 20km of strike extension of the Fair Hill formation running north-south within the project area.

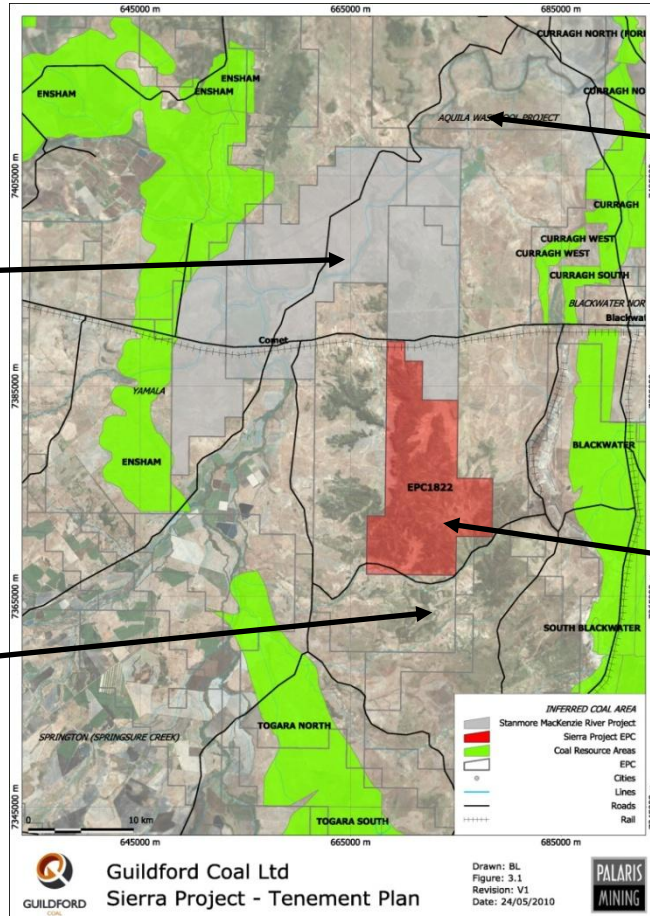
With the commencement of drilling at Sierra, Guildford will have a total of 6 drill rigs operating on its priority projects in Queensland.

Further information on the Sierra Project including the proposed drill plan can be found in the diagrams on the following pages.

For and on behalf of Guildford Coal Limited



Mr Michael Avery
Managing Director
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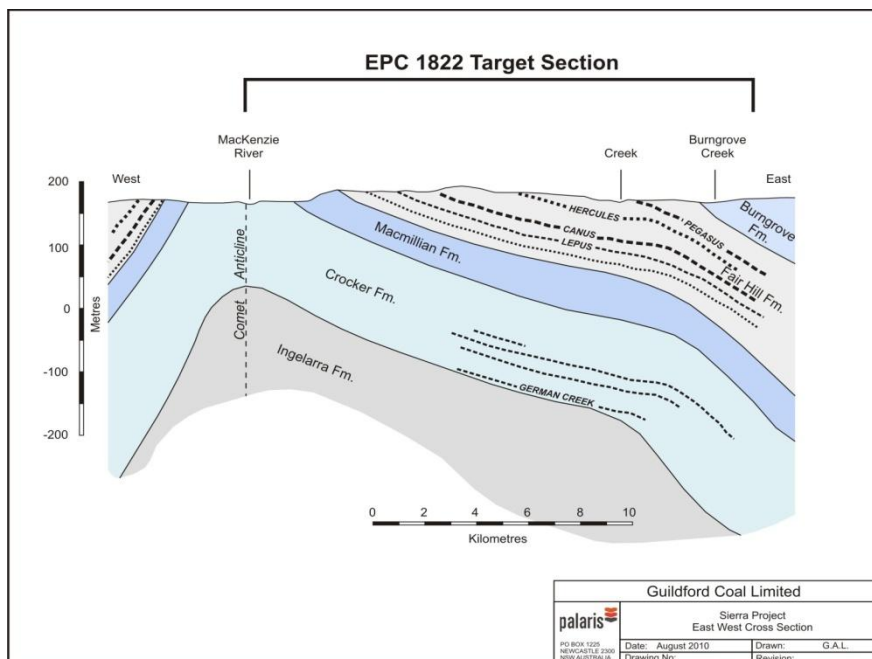
Stanmore McKenzie River Project
 99Mt JORC Inferred Resource and additional 70-80Mt exploration target

Aquila Washpool Project
 138Mt JORC Indicated and Inferred Burngrove Formation

Newlands Resources Comet Ridge Project
 Target of 200 to 250Mt of Fair Hill Formation with raw CSN values of up to 8.5

Guildford Sierra Project
 Fair Hill and Burngrove Formation target

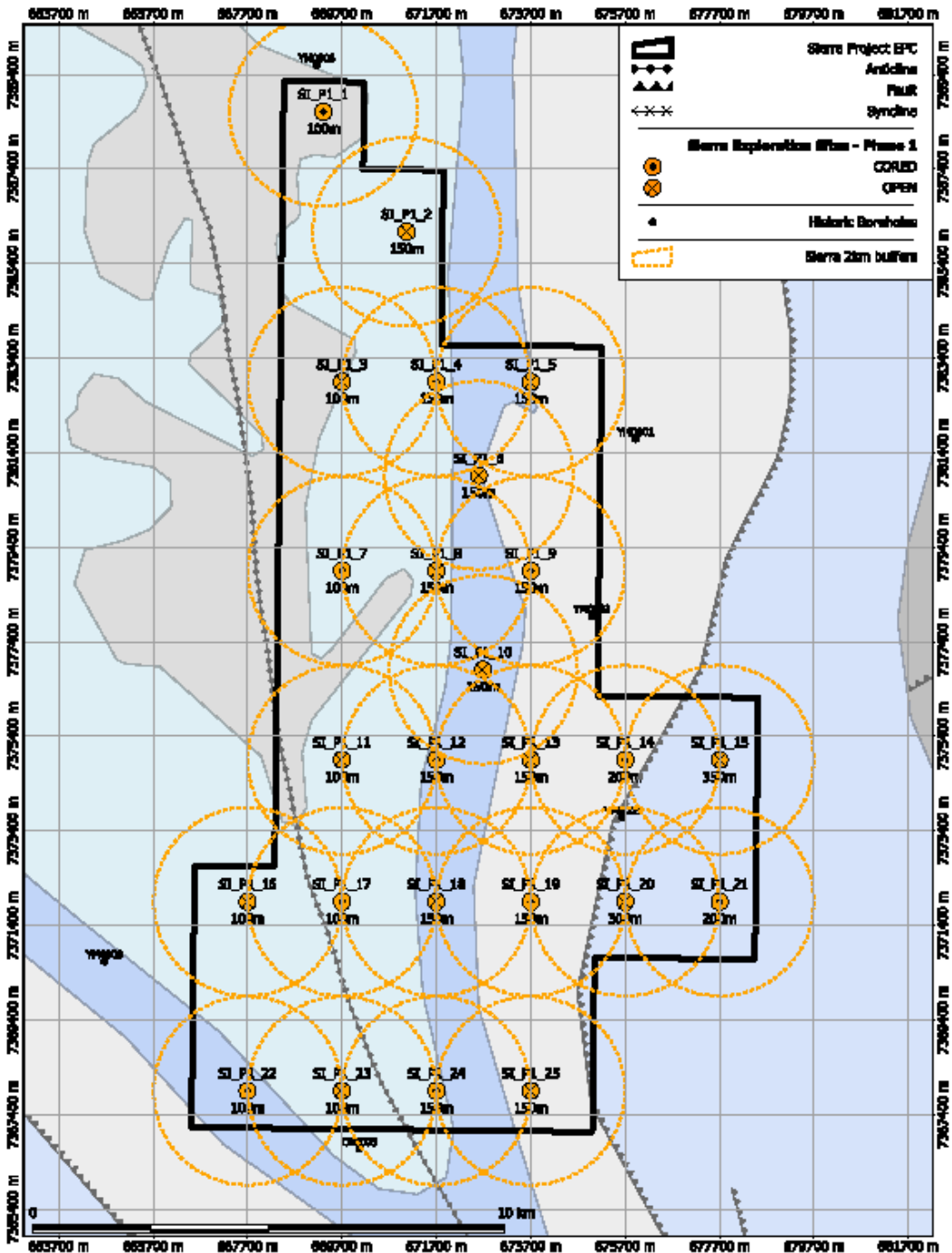
Location of Sierra Project in Relation to other Explorers Targeting Similar Sequence



Guildford Sierra Project Schematic Cross Section (East – West Section Looking North)



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Guildford Coal Ltd
Sierra Project Exploration Program

Drawn: BL
 Scale: As Shown
 Revision: V1
 Date: 8/02/2011



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Competent Persons Statement

The information in this report is based on information compiled by Brendan Lloyd, who is a Member of the Australasian Institute of Mining and Metallurgy (208658) and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are 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'. Mr. Lloyd is Exploration Manager for Guildford Coal Limited engaged under secondment from Palaris Mining Pty Ltd and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Lloyd has over 10 years experience in exploration and mining of coal deposits.