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

Guildford Increases Stake in 623Mt White Mountain Project

The Board of Guildford Coal Limited (Guildford) are pleased to advise that the Company has agreed to increase its ownership in White Mountain Pty Ltd (White Mountain) to 62.7% with a 3.1% increased stake.

White Mountain Project Overview

Guildford has agreed to increase its stake in White Mountain to 62.7% by taking up a full allotment of the second rights issue for White Mountain which owns 100% of the White Mountain Project comprising EPC1260 and EPC1250. The other White Mountain shareholder, Galilee Co. Pty Ltd, elected not to participate in the rights issue, allowing Guildford the opportunity to also subscribe for these shares.

Mr Mick Avery, Managing Director of Guildford stated that "*Guildford Coal is looking forward to developing the White Mountain Project, which has demonstrated the potential to support the near term development of a large open cut coal resource which has ready access to existing rail and port infrastructure.*"

The White Mountain Project is located on the north eastern edge of the Galilee Basin in Queensland. Permian coal seams are known to outcrop in this location and were previously mined in the old Oxley Creek Coal Mine. The White Mountain Project is a potential early stage development opportunity located north west of Pentland and is well located to utilise existing rail and port capacity.

The White Mountain Project has a JORC Inferred Resource of 623Mt of thermal coal. Potential exists to further substantially increase the White Mountain Project Inferred Resource and ongoing drilling will focus on upgrading a portion of the Inferred Resource to the Indicated category and further expanding the overall resource

Studies in support of the IAS and EIS for the White Mountain Project have commenced and an application for a Mining Lease is being prepared.

For and on behalf of Guildford Coal Limited



Mick Avery

Managing Director

T: +61(2) 4914 5910

Competent Persons Statement

Technical Information in this Report on White Mountain JORC has been prepared by Kim Maloney who has over 10 years of experience in coal mining and extractive industry throughout Australia. Kim has experience within the Central Queensland coal mines and has held various roles in these mine's Technical Services, including Exploration Geologist, Mine Geologist and Geology Superintendent. Kim is a Competent Person for coal as defined by the JORC Code (2004). Kim is a Senior Resource Geologist within Moultrie Database & Modelling, a part of the Moultrie Group and holds the position of General Manager. Her principal qualifications are a Bachelor of Science from James Cook University and a Masters of Business Administration (Human Resource Management) from the Central Queensland University. Kim is a Member of The Australasian Institute of Mining & Metallurgy (# 229120) and a Member of the Bowen Basin Geological Group.

Technical information in this Report on JORC resources for all other projects has been compiled by Mr Mark Biggs, Principal Geologist of Moultrie Database and Modelling. Mr. Biggs is a member of the Australasian Institute of Mining and Metallurgy (Member #107188) and has over 25 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2004. The resource information in this report is being released to the Australian Securities Exchange. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 8th October 2012 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code).

Forward Looking Statements

This Announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Guildford.