



GUILDFORD

COAL

Level 7, 490 Upper Edward Street, Spring Hill, QLD 4000
Telephone: 07 3005 1533
Facsimile: 07 3834 3385
www.guildfordcoal.com.au

27 March 2013

Company Announcements Office
ASX Limited

Guildford Augments Financing Facilities

Guildford Coal Limited (ASX: GUF) (the **Company**) is pleased to announce that it has entered into further financing arrangements.

The financing is by way of convertible notes for a total consideration of A\$40 million. The funds received will be used to provide further funding support for Guildford Coal's operations and also for general working capital purposes. Draw down of the facility will take place upon conditions precedent being satisfied.

The terms of issue provide that the notes can be converted into ordinary shares in the Company, with the conversion price calculated using the formula contained in the 'Exercise price' row of the below table. If any of the convertible notes are repaid by the Company prior to their maturity date (i.e. 18 months from the date of issue), and a noteholder has not yet exercised its conversion right in respect of its notes, the Company will issue to the noteholder additional warrants for ordinary shares in the Company (**Additional Warrants**).

The Additional Warrants (if issued) may be exercised during the exercise period set out below at the noteholders' discretion, subject to the noteholders paying the required exercise price.

The Additional Warrants (if issued) will have the following terms:

Number of Additional Warrants to be issued: The number of additional warrants to be issued will be calculated according to the following formula:

$$A = B / C$$

where:

A = the number of Additional Warrants to be issued;

B = the face value of the convertible bonds repaid by the Company; and

C = the conversion price for the convertible bonds.

- Exercise price:** The average of the daily volume weighted average price of the Company's ordinary shares for the dealing days for the period from (and including) 28 February 2013 to (and including) 27 April 2013. However the exercise price may not be less than \$0.45 per Additional Warrant or greater than \$0.75 per Additional Warrant.
- Exercise period:** Between the date of issue of the Additional Warrants and the maturity date of the convertible bonds (i.e. 18 months from the date the convertible bonds were issued).
- Ranking of ordinary shares in the Company to be issued upon exercise of the Additional Warrants:** Any ordinary shares issued on exercise of the Additional Warrants will rank equally with the existing ordinary shares issued by the Company, and will be listed on the ASX.
- Transfer of Additional Warrants:** The Additional Warrants are fully transferable (either in whole or in part) to another sophisticated or professional investor (as those terms are defined in the Corporations Act).
- Reorganisations of capital:** In the event of any reorganisation of the issued capital of the Company prior to the expiry of the Additional Warrants, the rights of the holder (including, but not limited to, the number of Additional Warrants, the exercise price of the Additional Warrants or both) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- Status of Additional Warrants:** The Additional Warrants will be listed on the ASX.

Shareholders with any queries on the above amendments should contact Mr. Louis Chait, Company Secretary, on (07) 3005 1533.

Yours faithfully



Louis Chait
Joint Company Secretary