



GUILDFORD
COAL

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8 April 2013

Company Announcements Office
ASX Limited

Market Update

Pentland Power Station Feasibility

Guildford Coal Ltd (ASX: GUF) is pleased to be named as a key proponent, with Mackay Sugar Limited, in a Commonwealth Government funded study to determine the feasibility of a base load power station and related transmission infrastructure in the Pentland area of North Queensland west of Townsville.

Guildford Coal is the holder of substantial exploration tenements in the Northern Galilee around Hughenden and Pentland.

The Commonwealth funding package of \$2.5m was announced in Townsville on 5 April by the Acting Prime Minister Hon Wayne Swan and Kennedy MP, Hon Bob Katter (attached below).

Mr Swan said adequate and affordable base load power supply and associated transmission requirements were "fundamental to unlocking future economic opportunities" in North Queensland. He stated that the study would "examine the electricity generation required to drive future economic development in North Queensland, particularly in the Pentland area".

A Steering Committee, which will include Guildford Coal, will oversee the development of the final Terms of reference for the study, appoint consultants and report outcomes. Townsville Enterprise Limited will oversee the expenditure of the funds and project manage the study.

Yours faithfully

Peter Westerhuis
Managing Director
07 3005 1537

THE HON WAYNE SWAN MP

ACTING PRIME MINISTER

TREASURER

***** MEDIA RELEASE *****

FUNDING TO HELP UNLOCK FUTURE ECONOMIC DEVELOPMENT OPPORTUNITIES IN NORTH QUEENSLAND

The Gillard Government will fund a study of the power requirements for North Queensland to help maximise future economic development opportunities in the region.

North Queensland has an exciting future and the Federal Labor Government is committed to supporting the region to harness the economic opportunities that lay ahead.

Fundamental to unlocking these future economic opportunities is the provision of adequate and affordable base load power supply and the associated transmission requirements.

Currently, the only base load power supply available to North Queensland is generated south of Rockhampton, making it cost-prohibitive for many resource projects being explored in the Northern Galilee Basin.

That's why the Federal Labor Government will provide up to \$2.5 million towards a feasibility study to examine the electricity generation required to drive future economic development in North Queensland, particularly in the Pentland area.

The study will also examine the potential to sustainably develop up to 120,000 hectares of land in Pentland for sugarcane production and associated milling, ethanol, and cogeneration infrastructure in the Pentland area.

After first being proposed by Federal Member for Kennedy Bob Katter, the study is supported by Townsville Enterprise Limited and key proponents Guildford Coal and Mackay Sugar.

The study also has the strong backing of the Mount Isa Townsville Economic Zone, Townsville Enterprise as well as the Mayors of Townsville and Charters Towers Regional Council.

This \$2.5 million commitment builds on the Federal Labor Government's long-held support for the provision of base load power supply in North Queensland.

A special steering committee with representatives from the local community and industry as well as the Department of Regional Development and Local Government will be established to determine the scope of study.

The funds will be made available to Townsville Enterprise Limited to manage the study subject to its final scope being agreed by the steering committee and the Department of Regional Development and Local Government.

TOWNSVILLE

5 April 2013

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