



GUILDFORD
COAL

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9 January 2014

ASX ANNOUNCEMENT

OCP Asia Financing Facility Update and Appendix 3B

In relation to the previously announced offers to OCP Asia, by Guildford Coal Limited (ASX: GUF) (the Company), for the issue of convertible notes with a face value of US\$10,000,000 and the right to subscribe for detachable warrants which are associated with amortising notes to be issued by the Company with a face value of US\$55,000,000.

The company is pleased to confirm the acceptance of these offers and the issuance, by the company, of the Global Convertible Note certificate and the Global Amortising Note Certificate and corresponding Detachable Warrant certificates in accordance with the agreements.

The required Appendix 3B follows this announcement.

For further information please contact Peter Kane, Group Managing Director, 07 3005 1533.

Peter Kane
Group Managing Director

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Guildford Coal Limited (the **Company**)

ABN

35 143 533 537

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Secured convertible notes due July 2015
(Convertible Notes)

Warrants expiring January 2019
(Detachable Warrants) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,000 Convertible Notes, each with a face value of US\$10,000

66,762,962 Detachable Warrants, associated with amortising notes issued by the Company. The amortising notes have a face value of US\$55,000,000 and the Detachable Warrants are for an amount equal to 18.5% of this amount (converted into Australian dollars at an agreed exchange rate). No additional amount is required to be subscribed for the Detachable Warrants |

+ See chapter 19 for defined terms.

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Convertible Notes

- Term: 18 months from the date of issue, being 8 July 2015 (the **Maturity Date**)
- Coupon: 12% per annum, payable on a semi-annual basis in arrears
- Conversion Price: \$0.30 (subject to standard adjustments)
- Dates for Conversion: at any time on 8 January 2014 and up to 7 Business days prior to the Maturity Date

Detachable Warrants

- Expiry Date: 5 years from the date of issue, being 8 January 2019 (the **Warrant Maturity Date**)
- Exercise Price: \$0.17 (subject to standard adjustments)
- Dates for Exercise: after 8 January 2014 to 5pm on the Warrant Maturity Date

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. However, the ordinary shares issued by the Company on conversion of the Convertible Notes, and on exercise of the Detachable Warrants, will be fully paid and will rank equally with the Company's fully paid shares on issue at the time of conversion and exercise</p>
<p>5 Issue price or consideration</p>	<p>Convertible Notes: US\$10,000 per Convertible Note</p> <p>Detachable Warrants: nil (see section 2 above)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To repay certain existing indebtedness of the Company and for working capital purposes</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable</p>

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6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	8 January 2014 for each of the Convertible Notes and the Detachable Warrants	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
		655,046,899	Ordinary Shares (each fully paid)

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	12,000,000	Warrants (exercisable until 5 May 2014)
	20,000,000	Bond Conversion Warrants (exercisable until 14 August 2014)
	1,000	Convertible Notes (exercisable until 8 July 2015)
	66,762,962	Detachable Warrants (exercisable until 8 January 2019)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable in relation to the Convertible Notes and Detachable Warrants, and as per existing ordinary shares in respect of any shares issued on conversion of the Convertible Notes and exercise of the Detachable Warrants	

Part 2 - Pro rata issue

11 Is security holder approval required?	Not applicable
12 Is the issue renounceable or non-renounceable?	Not applicable
13 Ratio in which the +securities will be offered	Not applicable
14 +Class of +securities to which the offer relates	Not applicable
15 +Record date to determine entitlements	Not applicable
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable

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17 Policy for deciding entitlements in relation to fractions	Not applicable
18 Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19 Closing date for receipt of acceptances or renunciations	Not applicable

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20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of *securities for which *quotation is sought

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39 *Class of *securities for which quotation is sought

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40 Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?

If the additional *securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another *security, clearly identify that other *security)

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42 Number and *class of all *securities quoted on ASX (including the *securities in clause 38)	Number	*Class

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Director)

Date: 9 January 2014

Print name:

PETER KANE

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