



GUILDFORD
COAL

Guildford Coal Limited
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ASX ANNOUNCEMENT

Springsure Indicated Resource Settlement Update 1

The management of Guildford Coal Limited (ASX:GUF) (the **Company**) announced to the ASX on 30 December 2013 that a payment would be made to TheChairmen1 Pty Ltd (C1) in the form of 106,810,121 fully paid ordinary shares (**Consideration shares**).

The management of the Company negotiated with C1 to assign its right to receive 98,000,000 of the Consideration Shares to the shareholders in C1 (or their assignees/nominees). These assignments were to be made in proportion to their existing shareholdings in C1. As a consequence of the assignment, the overall impact of the issue of the Consideration Shares will cause C1's shareholding in the Company to be diluted.

The Company advises that it will shortly issue 89,547,433 fully paid ordinary shares (**Initial Consideration Shares**) in partial settlement of the Consideration shares. The Initial Consideration Shares will be issued to those shareholders of C1 (or their assignees/nominees) who are not related parties of Guildford. The Initial Consideration Shares will be issued in accordance with the Company's capacity under listing rule 7.1.

The Company intends to call an Extraordinary General Meeting for shareholders to consider issuing the balance of the Consideration Shares (being a total of 17,262,688 Shares), which are proposed to be issued to persons whom the Company considers are related parties of the Company for the purpose of this share issue. A Notice of Extraordinary General Meeting setting out further details regarding the issue of the balance of the Consideration Shares will be distributed to the Company's shareholders in due course.

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

Peter Kane
Group Managing Director