



GUILDFORD
COAL

Guildford Coal Limited
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16 July 2014

ASX ANNOUNCEMENT

Non-Renounceable Entitlement Offer Letters to Shareholders

Guildford Coal Limited (**Company**) (ASX: GUF) advises the attached letters were sent on 11 July 2014 in relation to the non-renounceable entitlement offer announced by the Company on 10 July 2014.

For further information please contact Jason Culpeper, General Manager Finance and Commercial, 07 3005 1534.

Peter Kane
Group Managing Director



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11 July 2014

Dear Shareholder

Non-renounceable Entitlement Offer – notification to eligible shareholders and warrant and convertible security holders

On 10 July 2014, Guildford Coal Limited (ASX Code: GUF) (**Guildford**) announced a fully underwritten pro rata non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$0.06 (together with one free attaching option for each New Share subscribed for and issued (**New Option**)) to raise up to approximately \$2.5 million (**Entitlement Offer**).

The purpose of the Entitlement Offer is for working capital purposes.

Under the Entitlement Offer, existing Guildford shareholders who are eligible to participate will be offered 1 New Share and 1 attaching New Option for every 18.284 existing fully paid ordinary shares in Guildford.

1 Eligible Shareholders

Shareholders who are eligible to participate in the Entitlement Offer are Guildford shareholders who:

- (a) are registered as a holder of Guildford shares as at 7.00 pm (Brisbane time) on Wednesday, 16 July 2014 (**Record Date**);
- (b) have a registered address in Australia, New Zealand, Singapore or Hong Kong;
- (c) are not in the United States or acting for or on behalf of US Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

(**Eligible Shareholders**).

2 Prospectus

This letter is not a prospectus but rather an advance notice of some key terms and conditions of the Entitlement Offer. Details of the Entitlement Offer are set out in a prospectus (**Prospectus**) lodged with the Australian Securities and Investments Commission on Thursday, 10 July 2014 and released on the Australian Securities Exchange (**ASX**) on that day.

Eligible Shareholders will be mailed a Prospectus, together with a personalised Entitlement and Acceptance Form which contains details of your entitlement, following the Record Date.

You should read all of the Prospectus carefully before deciding whether to participate in the Entitlement Offer.

3 Actions required by Eligible Shareholders

If you wish to take up all or part of your entitlement, you will need to complete and return the personalised Entitlement and Acceptance Form accompanying the Prospectus, together with your payment for the New Shares and attaching New Options you wish to subscribe for, or make payment using BPAY®, in each case in accordance with the instructions on the Entitlement and Acceptance Form.

As the Entitlement Offer is non-renounceable, you will not receive any value for entitlements in respect of any New Shares and attaching New Options if you choose not to participate in the Entitlement Offer.

4 Information for warrant and convertible security holders

The terms and conditions of the warrants and convertible securities you hold do not entitle you to participate in the Entitlement Offer unless you exercise your warrants or convertible securities in time for new shares to be issued and to be entered on Guildford's register of members on or before 5:00pm (Brisbane time) on the Record Date.

To exercise your warrants or convertible securities and thereby participate in the Entitlement Offer, you will need to validly exercise or convert your warrants or convertible securities in accordance with their terms of issue no later than 5:00pm (Brisbane time) on Monday 14 July 2014. If exercised or converted after this time, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise or convert any or all of your warrants or convertible securities, you should read the Prospectus in its entirety.

5 Key dates for Eligible Shareholders*

| | |
|--|-------------------------|
| Release of Prospectus and Appendix 3B to ASX (Announcement Date) | Thursday, 10 July 2014 |
| Ex date for New Share and New Option entitlement | Monday, 14 July 2014 |
| Record Date for identifying Shareholders with New Share and New Option entitlements | Wednesday, 16 July 2014 |
| Dispatch of Prospectus and Entitlement and Application Forms to Eligible Shareholders (Opening Date) | Monday, 21 July 2014 |
| Closing Date | Wednesday, 30 July 2014 |
| Commencement of trading of New Shares on deferred settlement basis | Thursday, 31 July 2014 |
| Shortfall Notification Date | Tuesday, 5 August 2014 |

| | |
|--|-------------------------|
| Allotment Date of New Shares and grant of New Options | Thursday, 7 August 2014 |
| Commencement of trading of New Shares on normal settlement basis | Friday, 8 August 2014 |

*The key dates may be changed by the Company in consultation with the underwriter, and, if applicable, ASX.

If you have any questions in relation to any of the above matters and this letter, please contact Jason Culpeper, General Manager Finance and Commercial on +61 7 3005 1534.

For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Directors, I thank you for your continued support of Guildford.

Yours sincerely



Peter Kane
Group Managing Director
Guildford Coal Limited



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COAL

11 July 2014

Dear Shareholder

Non-renounceable Entitlement Offer – notification to ineligible shareholders

On 10 July 2014, Guildford Coal Limited (ASX Code: GUF) (**Guildford**) announced a fully underwritten pro rata non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$0.06 (together with one free attaching option for each New Share subscribed for and issued (**New Option**)) to raise up to approximately \$2.5 million (**Entitlement Offer**).

Under the Entitlement Offer, existing Guildford shareholders who are eligible to participate will be offered 1 New Share and 1 attaching New Option for every 18.284 existing fully paid ordinary shares in Guildford.

Shareholders who are eligible to participate in the Entitlement Offer are Guildford shareholders who:

- (a) are registered as a holder of Guildford shares as at 7.00 pm (Brisbane time) on Wednesday, 16 July 2014 (Record Date);
- (b) have a registered address in Australia, New Zealand, Singapore or Hong Kong;
- (c) are not in the United States or acting for or on behalf of US Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

(Eligible Shareholders).

As you do not satisfy the eligibility criteria for Eligible Shareholders, Guildford is unfortunately unable to extend to you the opportunity to participate in the Entitlement Offer.

This notice is to inform you that you are not eligible to apply for New Shares and attaching New Options and you will not be sent a copy of the prospectus relating to the Entitlement Offer. This letter is not an offer to issue New Shares and attaching New Options to you, nor an invitation for you to apply for New Shares and attaching New Options. You are not required to do anything in response to this letter.

The restrictions upon eligibility are because of legal limitations in some countries, the relatively small number of shareholders there, the small number of securities they hold and the potential cost of complying with regulatory requirements in those countries. Guildford has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer. Accordingly, in compliance

with ASX Listing Rule 7.7.1(b), Guildford wishes to advise you that it will not be extending the Entitlement Offer to you.

As the Entitlement Offer is non-renounceable, you will not receive any value for entitlements in respect of any New Shares and attaching New Options that would have been offered to you if you were eligible to participate in the Entitlement Offer.

If you have any questions in relation to any of the above matters and this letter, please contact Jason Culpeper, General Manager Finance and Commercial on +61 7 3005 1534.

For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Directors, I thank you for your continued support of Guildford.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Kane', with a stylized flourish at the end.

Peter Kane
Group Managing Director
Guildford Coal Limited