



GUILDFORD
COAL

Guildford Coal Limited
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18 July 2014

ASX ANNOUNCEMENT

Supplementary Prospectus

Guildford Coal Limited (**Guildford**) (ASX: GUF) advises the attached Supplementary Prospectus dated 18 July 2014 intended to be read with the Prospectus dated 10 July 2014 relating to Guildford's underwritten, non-renounceable pro rata entitlement offer has been lodged with ASIC today.

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

Peter Kane
Group Managing Director

Guildford Coal Limited ACN 143 533 537

SUPPLEMENTARY PROSPECTUS

This supplementary prospectus (**Supplementary Prospectus**) is dated 18 July 2014 and is supplementary to the prospectus dated 10 July 2014 issued by Guildford Coal Limited ACN 1743 533 537 (**GUF or Company Prospectus**).

This Supplementary Prospectus must be read together with the Prospectus. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 18 July 2014. Neither ASIC nor the ASX, nor their respective officers, take any responsibility for the contents of this Supplementary Prospectus.

The Prospectus and the Supplementary Prospectus are important and should both be read in their entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents of these documents.

1. Update on the Company's cash position

GUF provides the following update to shareholders on its current cash position. On 30 April 2014, GUF reported in its quarterly cash flow report for the quarter ended 31 March 2014:

- cash on hand of \$18,047,000; and
- an estimated cash outflow for the quarter to 30 June 2014 of \$12,591,000.

GUF has undertaken a process to conserve cash in the short and medium term, including by maintaining the Baruun Noyon Uul (BNU) mine in cash preservation mode. This process has proven successful in this quarter and GUF therefore expects cash outflow for the quarter to 30 June 2014 to be approximately \$8,940,000, being less than estimated in the last quarterly cash flow report. As at 30 June 2014 GUF's closing cash balance was approximately \$9,141,000.

2. Unsolicited offer to acquire GUF's Australian coal assets

The Board has received a confidential, unsolicited offer to acquire all of GUF's Australian coal assets from a Singaporean company (**Purchaser**) listed on the Main Board of the SGX.

The proposed purchase price is US\$22,500,000, payable by way of a non-interest bearing convertible promissory note which matures six months after issue and payable in cash or may be converted, at the Purchaser's option, into ordinary shares in the Purchaser to be issued to GUF.

Completion of the sale of GUF's Australian coal assets to the Purchaser would be subject to obtaining necessary shareholder and SGX approvals, negotiation of binding documentation and other customary conditions.

The offer is open for acceptance by GUF until 5pm (Singapore time) on 23 July 2014.

The Board is considering and evaluating the offer and proposes to update Shareholders on any significant developments by making announcements to ASX. This offer does not currently have any impact on the timetable for the Entitlement Offer.

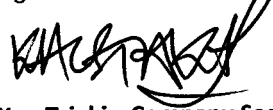
3. Entitlement and Acceptance Forms

Eligible Shareholders wishing to apply for New Shares and attaching New Options should still use the Entitlement and Acceptance Form included in the accompanying Prospectus.

4. Approval of Supplementary Prospectus

This Supplementary Prospectus has been approved by a resolution passed by the Directors of GUF. Each of the Directors voted in favour of that resolution.

Signed for and on behalf of Guildford Coal Limited:



Kon Tsiakis, Company Secretary