



GUILDFORD
COAL

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ASX Announcement Supplementary Disclosure to Target Statement Proposed Entitlement Offer

Guildford Coal Limited (**Guildford** or the **Company**) (ASX: GUF) announces its intention to **raise A\$7m** via a partly-underwritten pro-rata renounceable entitlement offer on the basis of **1 new share for every 4.85 shares** held at \$0.037 per share (**Entitlement Offer**).

Compared to the closing price of Guildford's shares on the ASX on 2 January 2015 of \$0.038, the **offer price of \$0.037** represents a discount of approximately 2.63% and compared to the 20 day VWAP calculated on 2 January 2015 of \$0.0385 represents a discount of approximately 3.92%.

As announced on 19 December 2014 and further detailed in its Target Statement on the 24 December 2014 Guildford's lenders, Noble Group (**Noble**) and Orchard Capital Partners (**OCP**), remain firm supporters of the Company and have agreed to provide to Guildford with its next tranche of working capital funding. **It is a condition of Noble advancing A\$7m debt** of this additional working capital that Guildford also raise a minimum of A\$7m in new equity funding. In these circumstances, the Board believes that the Entitlement Offer provides all shareholders the fairest opportunity to participate in this process.

Guildford has received and is considering a proposal to **underwrite** the Entitlement Offer to **A\$5m**. The Board will also explore other underwriting options for this Entitlement Offer.

The **net proceeds** of the Entitlement Offer will be used to support the current ramp up of coal production at the BNU Hard Coking Coal Mine in Mongolia to commercial production, meet funding commitments and for working capital purposes.

Documentation explaining the Entitlement Offer in more detail is currently being prepared and Guildford expects the opening date of the Entitlement Offer will occur during the **week commencing 19 January 2015**. Shareholders will also be provided with further details of the underwriting arrangements once they are settled.

The Board would also like to advise that effective immediately Tony Mooney current General Manager Stakeholder Relations will take over the role of **Company Secretary** for Guildford in addition to his current duties, as the company continues to rationalise its corporate structure and reduce overheads. Mr Mooney will replace Aimee Hyde who will not have her 3 month contract extended beyond 2 January 2015.

For further information please contact Tony Mooney on +61 7 3005 1533.

Mick Avery

Acting Group MD