



GUILDFORD
COAL

Guildford Coal Limited
Level 7, 490 Upper Edward Street
Spring Hill QLD 4000
Telephone: 07 3005 1533
www.guildfordcoal.com.au

27 January 2015

ASX ANNOUNCEMENT

Renounceable Entitlement Offer

Guildford Coal Limited (ASX: GUF) (**Guildford** or **the Company**) is pleased to announce a partially underwritten pro rata renounceable entitlement offer on the basis of 1 new share for every 4.85 shares held at the Record Date at an issue price of \$0.037 (**Entitlement Offer**). The offer price represents a discount of 2.63% compared to the closing price of Guildford's shares on the ASX on 2 January 2015 (being the last trading date before the announcement of the proposal to make the Entitlement Offer) and a 3.92% discount compared to the 20 day volume weighted average price of Guildford's shares as at 2 January 2015 and a 2.78% premium to the last closing price of Guildford shares before the date of this announcement. The Offer Price represents a discount of 17% to the bottom of the range of value of a Guildford share on a minority interest basis determined by BDO Corporate Finance (QLD) Ltd in its Independent Expert's Report which was included in Guildford's Target Statement dated 24 December 2014.

The net proceeds of the Entitlement Offer will be used to support the current ramp up of coal production at the BNU Mine to commercial production and for working capital purposes.

Eligible Shareholders may choose to accept all, part or none of their Entitlements. Entitlements are renounceable, meaning that Eligible Shareholders who do not take up their Entitlements in full may be able to sell or transfer all or part of those Entitlements which they do not take up.

The Entitlement Offer is partially underwritten by Maiora Asset Management Pte Ltd, a Singapore based asset manager and substantial shareholder in Guildford, and Auspicious Future Ventures Limited, a vehicle owned by The Hon Craig Wallace, a director of Guildford. No fees or commissions are payable to the underwriters, however Guildford will reimburse the reasonable legal costs incurred by the underwriters in preparing the underwriting agreement.

Guildford has prepared a prospectus explaining the Entitlement Offer in more detail (**Prospectus**). The Prospectus and personalised entitlement and acceptance forms will be mailed to Eligible Shareholders on Thursday, 5 February 2015. The Prospectus is also available on Guildford's website at www.guildfordcoal.com.au. The Prospectus contains important information with respect to the Entitlement Offer and should be read in its entirety before deciding whether or not to participate in the Entitlement Offer.

Timetable

The following timetable is indicative only. Subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, Guildford has the right to vary the dates of the Entitlement Offer, extend the Closing Date or withdraw the Entitlement Offer without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

Event	Date
Release of Prospectus and Appendix 3B to ASX	Tuesday, 27 January 2015
Ex Date and commencement of Entitlements trading on a deferred settlement basis	Thursday, 29 January 2015
Record Date for identifying Entitlements	7:00 pm (Brisbane time) on Monday, 2 February 2015
Despatch of Prospectus and Entitlement and Application Forms to Eligible Shareholders (Opening Date)	Thursday, 5 February 2015
Commencement of Entitlements trading on normal settlement basis	Friday, 6 February 2015
End of Entitlements trading period	4:00pm (Sydney time) on Monday, 9 February 2015
Securities quoted on deferred settlement basis	Tuesday, 10 February 2015
Closing Date	5:00pm (Brisbane time) on Monday, 16 February 2015
Shortfall notification date	Thursday, 19 February 2015
Allotment date of new shares	Monday, 23 February 2015
Despatch of holding statements	Monday, 23 February 2015
Commencement of trading of securities on normal settlement basis	Tuesday, 24 February 2015

Attached are letters that will be sent to Eligible Shareholders and Ineligible Shareholders.

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



Mick Avery
Acting Group MD



GUILDFORD
COAL

Guildford Coal Limited
Spring Hill QLD 4000
Telephone: 07 3005 1533
www.guildfordcoal.com.au

Dear Shareholder

Renounceable Entitlement Offer – notification to eligible shareholders and warrant and convertible security holders

On 27 January 2015, Guildford Coal Limited (ASX Code: GUF) (**Guildford**) announced a partially underwritten pro rata renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$0.037 to raise up to approximately \$7 million before costs (**Entitlement Offer**).

The purpose of the Entitlement Offer is to support the current ramp up of coal production at the Baruun Noyon Uul Mine in Mongolia and for working capital purposes.

Under the Entitlement Offer, existing Guildford shareholders who are eligible to participate will be offered 1 New Share for every 4.85 existing fully paid ordinary shares in Guildford (**Entitlement**).

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 Monday, 2 February 2015 (**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 Tuesday, 27 January 2015 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

Your Entitlement may have value and it is important that you determine whether to (in whole or in part) take up, transfer, sell or do nothing in respect of your Entitlement. You should ensure that you understand the tax consequences of any action that you take or of doing nothing.

3.1 Take up your entitlement

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 you wish to subscribe for, or make payment using BPAY®, in each case in accordance with the instructions on the Entitlement and Acceptance Form.

3.2 Sell your entitlement

There are a number of ways in which you can sell all or part of your Entitlement, each of which may result in a different value for those Entitlements sold:

- (a) If you decide to sell all of your Entitlement on ASX, you will need to instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form. Entitlements can be sold on ASX from Thursday, 29 January 2015 to Monday, 9 February 2015.
- (b) If you decide to take up part of your Entitlement and sell the balance on ASX, you need to:
 - (1) in respect of the part of your Entitlement you are taking up, complete and return the personalised Entitlement and Acceptance Form accompanying the Prospectus, together with your payment for the New Shares you wish to subscribe for, or make payment using BPAY®; and
 - (2) in respect of the part of your Entitlement to be sold on ASX, instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form.
- (c) If you decide to transfer all or part of your Entitlement, other than on ASX, you will need to forward a completed Renunciation and Transfer Form (which can be obtained from Guildford's Share Registry) to the Guildford Share Registry by 5:00pm (Brisbane time) on Monday, 16 February 2015. The purchaser's address must be in Australia, New Zealand, Singapore or Hong Kong (unless Guildford otherwise agrees) and the purchaser must not be in the United States or acting for the account or benefit of a person in the United States.

Please note that you may incur brokerage if choose to sell Entitlements on ASX. **Guildford will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade you Entitlement before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by**

Guildford or the Share Registry or failure to maintain your updated details on the Guildford share registry or otherwise. Guildford will have no responsibility and disclaims all liability (to the maximum extent permitted by law) for any acts or omissions of your stockbroker in relation to any dealing with your Entitlement.

In order to exercise Entitlements, holders of Entitlements must meet certain eligibility criteria that will be set out in the Prospectus. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on ASX or take up or exercise Entitlements purchased on ASX or transferred from another person. It is the responsibility of purchasers of Entitlements on ASX to inform themselves of the eligibility criteria for exercise of Entitlements. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to take up or exercise the Entitlements and, as a result, they may receive no value of them.

3.3 Do nothing

If your Entitlements have not been taken up, sold or transferred by 5:00pm (Brisbane time) on the Closing Date, you will not receive any New Shares or any other value for your Entitlement.

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 Friday, 30 January 2015. 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*

Event	Date
Release of Prospectus and Appendix 3B to ASX (Announcement Date)	Tuesday, 27 January 2015
Ex Date for New Share entitlement and commencement of Entitlements trading on a deferred settlement basis	Thursday, 29 January 2015
Record Date for identifying Shareholders with New Share entitlements	7:00 pm (Brisbane time) on Monday, 2 February 2015

Despatch of Prospectus and Entitlement and Application Forms to Eligible Shareholders (Opening Date)	Thursday, 5 February 2015
Commencement of Entitlements trading on normal settlement basis	Friday, 6 February 2015
End of Entitlements trading period	4:00pm (Sydney time) on Monday, 9 February 2015
New Shares quoted on deferred settlement basis	Tuesday, 10 February 2015
Closing Date	5:00pm (Brisbane time) on Monday, 16 February 2015
Shortfall notification date	Thursday, 19 February 2015
Allotment Date of New Shares	Monday, 23 February 2015
Despatch of holding statements	Monday, 23 February 2015
Commencement of trading of New Shares on normal settlement basis	Tuesday, 24 February 2015

*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 Tony Mooney on +61 7 3005 1533.

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



Mick Avery

Acting Group Managing Director
Guildford Coal Limited



GUILDFORD
COAL

Guildford Coal Limited
Spring Hill QLD 4000
Telephone: 07 3005 1533
www.guildfordcoal.com.au

Dear Shareholder

Renounceable Entitlement Offer – notification to ineligible shareholders

On 27 January 2015, Guildford Coal Limited (ASX Code: GUF) (**Guildford**) announced a partially underwritten pro rata renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$0.037 to raise up to approximately \$7 million before costs (**Entitlement Offer**).

The purpose of the Entitlement Offer is to support the current ramp up of coal production at the Baruun Noyon Uul Mine in Mongolia and for working capital purposes.

This letter is to inform you of the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

Under the Entitlement Offer, existing Guildford shareholders who are eligible to participate will be offered 1 New Share for every 4.85 existing fully paid ordinary shares in Guildford (**Entitlement**).

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 Monday, 2 February 2015 (**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.

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.

However, as the Entitlement Offer is renounceable, you may receive value for Entitlements you would have received had you been eligible to participate in the Entitlement Offer. Arrangements have been made for the Entitlement that would otherwise have been offered to ineligible shareholders to be sold. Guildford will direct the net proceeds of such sale (if any), net of any applicable withholding tax and expenses, to ineligible shareholders in proportion to their shareholding. However, there is no guarantee that Guildford (or any broker appointed by Guildford) will be able to sell your Entitlements or that you will receive any value for such Entitlements.

If you have any questions in relation to any of the above matters and this letter, please contact Tony Money on +61 7 3005 1533.

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



Mick Avery
Acting Group Managing Director
Guildford Coal Limited