



**GUILDFORD**  
COAL

May 14, 2015

## ASX ANNOUNCEMENT

### **Guildford Coal Secures Offtake Agreements with JISCO and Haohai**

**Guildford Coal Limited (Guildford or the Company) (ASX: GUF)** is pleased to announce that, through its Mongolian subsidiary Terra Energy LLC, the Company has secured offtake agreements with two (2) separate end-users in China: **Jiuquan Iron & Steel (Group) Co Ltd (JISCO)** and **Jiuquan Haohai Coal Chemical Co Ltd (Haohai)**, to sell coking coal produced at its Mongolian Baruun Noyon Uul (BNU) mine.

Guildford, via its marketing agent Noble Resources International Pte Ltd, has agreed with **JISCO** to sell 15,000 tonnes of clean coking coal in May 2015 delivered DDP (Delivered Duty Free) JISCO plant at approximately a 30% premium to the Platts Hard Coking Coal 64 Mid Vol CFR (Costed and Freight) China index price which recognises the high quality and excellent value in use of the BNU brand of coking coal. Further, JISCO has agreed to purchase 35,000 ±5,000 tonnes of clean coking coal per month, for a term of 12 months, commencing June 2015.

JISCO is located in China's Jiayuguan City and was established in 1958. JISCO is the largest steel company in western China and produces a large series of carbon steel and stainless steel products. In 2014, its total iron and steel production totalled approximately 10 million tonnes.

**Haohai** has agreed to purchase 45,000 - 50,000 tonnes of clean coking coal from May to July of 2015 at a similar pricing to the JISCO deal. Further, Haohai has agreed to purchase 25,000 ±5,000 tonnes of clean coking coal per month, from August 2015 until April 2016.



Based on the successful trial-use of 3,700 tonnes in the first quarter of 2015, Haohai has stated that Guildford's coal is with good consistency of clean coal quality: low sulfur, low ash and high caking index, and hence satisfies Haohai with its technical performance.

Haohai was founded in 2012 to develop 2 1Mtpa coking plants in Yumen City, Gansu Province. Haohai's parent company has extensive experience in production and sales of coke and its byproduct chemical in Shanxi province – the largest coke production base in China. The first 1Mtpa plant went into production in 1Q of 2015, producing coke, benzene and tar. At present, its major product - Class II Coke (China Standard) has been sold to the steel plants in Gansu, Qinghai and Xinjiang Province. Haohai is looking to upgrade their Class II Coke to Class I Coke by using the premium hard coking coal product from Guildford's BNU mine.

*“Securing the offtakes with great partners such as JISCO and Haohai is a critical step towards our goal of becoming one of the largest and highest quality coking coal producers in Mongolia”,* said Michael Avery, Managing Director.

#### **ABOUT GUILDFORD COAL [www.guildfordcoal.com.au](http://www.guildfordcoal.com.au)**

Guildford Coal has recently transitioned from being an explorer to miner. Production at the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Mongolia successfully restarted in late 2014. The Company's goal is to become one of the largest and highest quality coking coal producers in Mongolia, providing exceptional value for its steel-producing customers. Guildford Coal is also focused on developing two priority projects in Queensland, Australia: the large thermal coal Northern Galilee Project and the PCI/thermal coal Springsure Project.

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**Michael Avery**  
Group Managing Director

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