



Wollongong Coal

ACN 111 244 896
ABN 28 111 244 896

Head Office
7 Princes Highway, cnr Bellambi Lane
CORRIMAL NSW 2518

PO Box 281
FAIRY MEADOW NSW 2519

Phone +61 2 4223 6800

Fax +61 2 4283 7449

www.wollongongcoal.com.au

31 March 2017

Ms Luxmy Wigneswaran
Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ASX Code: **WLC**

Update on litigation re coal claims and corporate guarantee commission

On 27 March 2017, Wollongong Coal obtained judgment in its favour for the total sum US\$59,718,101.53 and its wholly-owned subsidiary, Wongawilli Coal, to the total sum of US\$10,426,366.28, plus costs and interest on costs in relation to Supreme Court of NSW proceedings no. 2014/347246, in respect of a claim for monies owed by Gujarat NRE Coke Ltd for the sale and supply of coal.

The Court also dismissed the claim (Supreme Court of NSW proceedings No.2014/339442) brought by Gujarat NRE Coke Ltd against Wollongong Coal and Wongawilli in relation to alleged corporate guarantee commission payments.

Whilst, Wollongong Coal and Wongawilli Coal are taking steps to recover the amount of judgment, they consider that there is little likelihood of recovery because Gujarat NRE Coke Ltd has filed an application with the National Company Law Tribunal for the initiation of Corporate Insolvency Resolution Process.

Background

Wollongong Coal and Wongawilli Coal commenced proceedings in the Supreme Court of NSW against Gujarat NRE Coke Ltd in India, part of Gujarat Group, also the previous largest shareholder of Wollongong Coal, for approximately US \$63 million (plus interest and cost) for unpaid coal sold and supplied to Gujarat NRE Coke Ltd.

Gujarat NRE Coke Ltd was defending those claims alleging an offset available to them for approximately US\$39.74 million for damages relating to coal quality and approximately US\$18.83 million (plus interest and cost) relating to alleged corporate guarantee commission payments.

Update on other litigations

- The Supreme Court of New South Wales proceeding (2014/211688) brought by Gujarat NRE India Pty Ltd against Wollongong Coal for approximately AU\$20.45 million (AU\$12 million indemnity claim and AU\$6.57 million restitution) was adjourned part-heard on 15 March 2017. The hearing is now set to resume on 4 September 2017.



Wollongong Coal

ACN 111 244 896
ABN 28 111 244 896

Head Office
7 Princes Highway, cnr Bellambi Lane
CORRIMAL NSW 2518

PO Box 281
FAIRY MEADOW NSW 2519

Phone +61 2 4223 6800

Fax +61 2 4283 7449

www.wollongongcoal.com.au

- As announced earlier (on 19 January 2017), Wollongong Coal proposed to lodge an application with Supreme Court of NSW to acquire and cancel (2,472,063,680) shares that were issued to Bellpac Pty Ltd (receivers and managers appointed) (in liquidation) upon conversion of bonds.

With an unfavorable judgment on its application, Wollongong Coal is left with only realistic option to invoke the procedures under Division 2 of Part 2J.1 of the Corporations Act to conduct a selective buy-back. As part of those procedures, Wollongong Coal is preparing for a general meeting to seek shareholders' approval to acquire and cancel shares issued to Bellpac.

Bellpac has agreed to extend the sunset date up to 15 May 2017 to allow Wollongong Coal to complete the procedures under aforesaid Corporations Act.

- Wongawilli Coal has now settled its dispute with ATF Mining Electrics Pty Ltd trading as AMP Control over alleged damages exceeding AU\$742,000 for repudiation of an alleged contract. As part of the agreed settlement, Wongawilli Coal has paid \$75,000 and is required to pay remaining balance of \$200,000 over 10 equal monthly installments.

For further queries, please contact the undersigned.

Thank you

Sanjay Sharma
Company Secretary
Ph: 02 4223 6830
Fax: 02 4283 7449

Email: ssharma@wcl.net.au