



ASX Announcement

26 June 2014

NuCoal Launches Constitutional Proceedings in the High Court of Australia

NuCoal Resources Ltd (ASX: NCR) advises that it has filed a Writ of Summons and Statement of Claim with the High Court of Australia, challenging the constitutional validity of the *Mining Amendment (ICAC Operations Jasper and Acacia) Act 2014* (NSW) (the **Mining Amendment Act**). NuCoal is represented by Quinn Emanuel Urquhart & Sullivan. Walter Sofronoff QC, former Solicitor-General of Queensland, will be appearing on behalf of NuCoal before the High Court.

The Mining Amendment Act cancelled Exploration Licence 7270 (**EL 7270**) following an inquiry by the Independent Commission Against Corruption (**ICAC**). NuCoal alleges that the Mining Amendment Act is invalid on two primary grounds:

1. The Mining Amendment Act amounts to an exercise of judicial power by the NSW Parliament, which is prohibited by the State and Federal Constitutions. The Statement of Claim asserts that the NSW Parliament made purported findings of corruption in respect of the grant of EL 7270 in reliance on findings of ICAC. The NSW Parliament, through the Act, imposed punishment on the basis of these findings. These findings were not made against NuCoal or any of its current directors. This punishment took the form of expropriating NuCoal's valuable property, denying the company its various procedural rights under law, and absolving the State from any liability.

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ASX:NCR • Share Information
Issued Shares: 768.6m

Board of Directors

Chairman:	G. Galt
Managing Director:	G. Lewis
Non Executive Director:	J. Beecher
Non Executive Director:	M. Davies
Company Secretary:	M. Etccl

2. Even if the NSW Parliament has the power to pass this form of legislation, it must do so in accordance with the rule of law, which it failed to do. The Statement of Claim alleges that the Mining Amendment Act deprived NuCoal of its statutory and common law rights, imposed punishment absent a breach of existing law, and denied NuCoal procedural fairness. It further contends that the Mining Amendment Act was specifically targeted at NuCoal, was improperly retroactive and destroyed certain rights upon which the company relied in order to guide its affairs. As a result, the passage of the Mining Amendment Act was contrary to fundamental and binding principles underpinning the Australian system of law and government.

The Statement of Claim seeks a declaration from the High Court that the Mining Amendment Act is invalid. It is expected that the effect of such a declaration would be that the Mining Amendment Act is void and the expropriation of EL 7270 reversed.

NuCoal will also serve the Attorneys-General of the States of Australia with the Writ of Summons and Statement of Claim, in accordance with section 78B of the *Judiciary Act 1903* (Cth).

In addition to this constitutional challenge before the High Court, NuCoal continues to litigate its judicial review action concerning the ICAC's findings and recommendations, before the NSW Supreme Court. NuCoal is also pursuing avenues of compensation for its innocent shareholders and investors under the US-Australia Free Trade Agreement.

We will keep the market updated when these proceedings come to fruition and as any pertinent matters arise.

Yours sincerely



Megan Etccl
Chief Financial Officer and Company Secretary
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