



28 October 2022

## COAL OFF-TAKE CONTRACT WITH MARCO INTERNATIONAL - UPDATE

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Allegiance Coal Limited (**Allegiance** or the **Company**) refers to the ASX announcement dated 24 October 2022 relating to the executed coal sale agreement (**Sale Agreement**) with Marco International Corporation (**Marco**).

Allegiance and Marco have agreed as follows.

- Marco has agreed to provide inventory finance to Allegiance's operations along the lines it has been doing since December last year and in this instance:
  - Marco will acquire the coal from Allegiance's operations for US\$210/t delivered to McDuffie Terminal at the Port of Mobile where 85% of the payment is made as coal is discharged at port and 15% upon coal loaded into a vessel in a FOB sale (free-on-board sale); and
  - In the event the eventual FOB sale is for a price above US\$210/t, Allegiance and Marco will share equally in that excess.
- Marco and Allegiance will continue to work collaboratively to secure off-take coal sales with potential end users on terms agreeable to both Marco and Allegiance and once in place, it is contemplated the Sale Agreement will be replaced by a new sale agreement along the lines of the inventory finance arrangement.

Authorised for release by Jonathan Romcke, Chief Executive Officer.

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**About Allegiance Coal**

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company focused on the development, operation and supply of steel making coal to the seaborne market. With operating mines in southeast Colorado, central Alabama, as well as a development project in northwest British Columbia, Allegiance is well placed to supply steel making coal to both the Pacific and Atlantic markets.

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