



Acacia Coal Limited  
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17 March 2017

Anjuli Sinniah  
Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Ms Sinniah

I refer to ASX's letter to Acacia Coal Limited (the **Entity**) dated 16 March 2017.

The Entity responds to each of the questions contained in your letter as follows:

- 1. Does AJC consider the MOU Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Acacia refers to its December Quarterly Report released to the market in January 2017 in which it stated:

*'Acacia has continued to explore potential avenues in order to realise value for shareholders in respect of Comet Ridge in line with its announced strategy. Accordingly, Acacia has entered into a binding option agreement, subject to certain conditions, with Bowen Coking Coal Pty Ltd, a full subsidiary of Cape Coal Pty Ltd, for it to acquire 100% of Comet Ridge.'*

The MOU confers an exclusive right for the counterparty to conduct due diligence on Comet Ridge and at the time of execution, Acacia viewed the likelihood of a transaction materialising as low. Accordingly, Acacia considered that the transaction was so uncertain or indefinite that it was not market sensitive and therefore did not require disclosure under Listing Rule 3.1.

In addition, because of the Company's renewed focus into South Africa and the acquisition of its new flagship asset, the Riversdale Anthracite Colliery, the Company viewed the entering into of the MOU to not be information that a reasonable person would expect to have a material effect on the price or value of Acacia's securities.

- 3. If the answer to question 1 is "yes", when did AJC first become aware of the MOU Information, or any part thereof?**

N/A

4. If the answer to question 1 is “yes” and AJC first became aware of the MOU Information, or any part thereof, before 11 January 2017, did AJC make any announcement prior to or on the date the MOU was executed (being 11 January 2017) which disclosed the MOU Information? If so, please provide details. If not, please explain why the MOU Information was not released to the market either prior to or on 11 January 2017, commenting specifically on when you believe AJC was obliged to release the MOU Information under Listing Rules 3.1 and 3.1A and what steps AJC took to ensure that the MOU Information was released promptly and without delay

Not applicable

5. Please confirm that AJC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company can confirm that it is currently in compliance with the Listing Rules, and, in particular, Listing Rule 3.1.

6. Please confirm that AJC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AJC with delegated authority from the board to respond to ASX on disclosure matters.

Yes

Yours sincerely



Adam Santa Maria  
Executive Chairman



16 March 2017

Lauren Nelson  
Company Secretary  
Level 7, 1008 Hay Street  
PERTH WA 6000

By email: [laurenn@ver.com.au](mailto:laurenn@ver.com.au)

Dear Lauren

**Acacia Coal Limited ("AJC"): aware query**

ASX Limited ("ASX") refers to the following:

- A. AJC's announcement entitled "Half Yearly Report and Accounts" lodged on the ASX Market Announcements Platform and released at 5:10pm AEDT on 14 March 2017 (the "Announcement"), disclosing AJC's financial information for the period ended 31 December 2016.
- B. On page 4 of the Announcement under the heading "Subsequent Events" it states that on 11 January 2017, the Acacia Coal Group signed a binding memorandum of understanding ("MOU") for a call option in respect of Comet Ridge for its sale to Bowen Coking Coal Pty Ltd ("MOU Information").
- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

F. ASX’s policy position on the concept of “*confidentiality*”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, ASX asks AJC to respond separately to each of the following questions and requests for information:

1. Does AJC consider the MOU Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did AJC first become aware of the MOU Information, or any part thereof?
4. If the answer to question 1 is “yes” and AJC first became aware of the MOU Information, or any part thereof, before 11 January 2017, did AJC make any announcement prior to or on the date the MOU was executed (being 11 January 2017) which disclosed the MOU Information? If so, please provide details. If not, please explain why the MOU Information was not released to the market either prior to or on 11 January 2017, commenting specifically on when you believe AJC was obliged to release the MOU Information under Listing Rules 3.1 and 3.1A and what steps AJC took to ensure that the MOU Information was released promptly and without delay.
5. Please confirm that AJC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that AJC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AJC with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before **6.30 a.m. AWST on Monday 20 March 2017**). If we do not have your response by then, ASX will have no choice but to consider suspending trading in AJC’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AJC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [anjuli.sinniah@asx.com.au](mailto:anjuli.sinniah@asx.com.au) and [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to AJC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AJC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AJC's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Anjuli Sinniah  
**Adviser, Listings Compliance (Perth)**