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ASX ANNOUNCEMENT

Guildford Announces Underwriting Agreement

Guildford Coal Limited (ASX:GUF) ("**Guildford**") is pleased to advise that it has entered into an underwriting agreement with Maiora Asset Management Pte. Ltd (the "**Underwriter**") to fully underwrite a proposed non-renounceable pro rata entitlement offer to Guildford's shareholders. Guildford has negotiated with the Underwriter on the basis that no fees will be payable as part of the underwriting agreement.

The proposed entitlement offer will be on the basis of 1 new share for every 18.248 shares held at \$0.06 to raise \$2.5 million ("**Entitlement Offer**"). Those shareholders who participate in the Entitlement Offer will also receive 1 free attaching option for each share subscribed for in the Entitlement Offer, exercisable at \$0.06 within 3 months of Entitlement Offer grant. If all options are exercised the Entitlement Offer will raise a further \$2.5 million.

In addition to the underwritten amount of \$2.5 million, the Underwriter has agreed to subscribe for \$2.5 million worth of Guildford shares at the conclusion of the Entitlement Offer period, and will also be issued with 1 free attaching option for each share subscribed for, exercisable at \$0.06 within 3 months of the Entitlement Offer grant. If the Underwriter exercises all of its options it will subscribe for shares to the value of a further \$2.5 million. Any such placement of shares and options to the Underwriter will be issued within Guildford's 15% placement capacity under ASX Listing Rule 7.1.

Guildford seeks to raise up to \$10 million with the Entitlement Offer and the underwriting agreement.

Guildford looks forward to providing further announcements to the market as this matter progresses and anticipates lodging a prospectus with ASIC and ASX within the next week.

For further information please contact Peter Kane, Group Managing Director on +61 7 3005 1533.

Peter Kane
Group Managing Director