



ASX Announcement

Settlement of \$8.5 million Placement and Redemption of Convertible Note Liability

15 August 2014: Cuesta Coal Limited (ASX: CQC) ("Cuesta") is pleased to announce settlement of the Stage 1 placement of \$8.5 million to major shareholder Longluck Investment (Australia) Pty Ltd ("**Longluck**"), a wholly-owned subsidiary of Beijing Guoli Energy Investment Co., Ltd ("**Beijing Guoli**").

As announced on 19 May 2014, Cuesta executed a Share Subscription Agreement (**SSA**) with Longluck to raise \$15 million by issuing 145,631,068 at \$0.103 per share in two stages. Stage 1 is the issue of 82,524,272 shares to raise \$8.5 million.

\$5 million of the placement funds have been used to fully repay the remaining Convertible Note Liability associated with the acquisition of the Orion Coal Project (EPCs 775 and 776 contained in the Moorlands Project) in 2012. \$3.5 million of the Placement funds will be applied primarily to advancing the Definitive Feasibility Study (**DFS**) for the Company's flagship development project.

The Moorlands Project is an open cut export thermal coal project, located 30 kilometres northwest of the township of Clermont in the Western Bowen Basin of Queensland and to the immediate west of the Blair Athol and Clermont coal mines (**Moorlands Project**). Cuesta is targeting first coal production from the Moorlands Project in 2016.

The second stage placement of \$6.5 million is expected to be settled before 8 September 2014 (pursuant to ASX Listing Rule 10.13.3) and once completed, Beijing Guoli's total investment in Cuesta will be \$47 million.

ENDS

About Cuesta Coal

Cuesta Coal Limited ("**Cuesta**") is an ASX listed coal exploration company with a pipeline of coal projects ranging from development to greenfield exploration. The Company is strongly supported by its major cornerstone investor and is targeting coal production from its priority Moorlands Project in a 3 year timeframe.

Cuesta has a diverse portfolio of thermal and coking coal exploration prospects within the Bowen, Surat and Galilee basins, the Company's core projects are well situated geographically.

For further information:

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