

1 October 2014

ASX Announcement

Termination of Management Agreement

Guildford Coal Limited (**Guildford** or the **Company**) (ASX: GUF) is pleased to announce that it has negotiated the termination of the C1 Management Agreement on the basis of the Company transferring 15% of its shareholding in Springsure Mining Pty Ltd. The transaction is subject to shareholder approval at the forthcoming AGM.

Guildford entered into a management agreement with TheChairmen1 Pty Ltd (**C1**) dated 26 May 2010 (**Management Agreement**), wherein C1 agreed to provide certain management services to Guildford for a fee of \$2,500,000 per annum (excluding GST). The Management Agreement expires in June 2015 and fees totalling approximately \$2 million are payable by Guildford to C1 over the remaining period of the Management Agreement.

However, subject to shareholder approval at the AGM, the Board and C1 have agreed to forthwith terminate the Management Agreement, on the basis of the Company transferring 15% of its shareholding in Springsure Mining Pty Ltd to C1, which will negate the need to make any further payments under the Management Agreement. This will enable the Company to commit further funds to the planned Baruun Noyon Uul mine operations in Mongolia. Should the shareholder approval not be obtained at the AGM, the Company will need to immediately recompense C1 for the suspended monthly payments.

The Company also confirms that the following unquoted securities to acquire one fully paid ordinary share in the Company for each warrant have expired, unexercised.

Number	Class	Exercise Price	Expiry Date
20,000,000	Warrants	\$0.50	14 August 2014

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



Peter Kane
Group Managing Director