

ASX Announcement

22 October 2014

Non-Renounceable Rights Issue Offer to Raise Up to \$1.3 million

Tiaro Coal Limited (**Tiaro Coal**) is pleased to announce a fully underwritten pro rata non-renounceable rights issue (**Offer**) of up to 131,916,623 fully paid ordinary shares on the basis of one new ordinary share (**New Shares**) for every one ordinary share held by shareholders on the record date at an issue price of \$0.01 (1 cent) per share, to raise approximately \$1.3 million (before costs).

Refresh Capital Pty Limited (**Underwriter**) has agreed to fully underwrite the Offer. The Offer is also fully sub-underwritten by a number of shareholders (or their associates) who have agreed sub-underwriting arrangements with the Underwriter. Non

In addition, shareholders holding an aggregate of approximately 42% of the share capital in Tiaro Coal have executed Take-Up Deeds pursuant to which they have agreed to take up their rights under the Offer.

Funds raised under the Offer are intended to be used to retire the interTiaro Coalloan from Paragon Coal Pty Limited (**Paragon Coal**) (a Tiaro Coalin which the Tiaro Coal currently holds a 53.1% interest), advance loans to Paragon Coal to fund resource upgrade work and fund work on other Tiaro Coal tenements, after which any residual funds will be used as additional working capital to enable Tiaro Coal to pursue its corporate objectives.

Shareholders may also elect to participate in the shortfall facility and apply for new shares in excess of their pro rata entitlements under the Offer up to the cap specified in the Offer Document.

The following timetable is indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Offer any time prior to allotment and issue of the New Shares. In that event, any payments received for Applications will be returned in full without interest.

Announcement of Offer	22 October 2014
Lodgment of Appendix 3B, Offer Document and Cleansing Notice with ASX	Prior to 10.00am (Sydney time) on 22 October 2014
Despatch of notices to Shareholders informing them of the Offer	23 October 2014
Shares quoted on ex-entitlement basis	24 October 2014
Record Date for determining Entitlements	7.00pm (Sydney time) on 28 October 2014
Offer opens - despatch of Offer Document and Entitlement and Acceptance Form	31 October 2014
Offer Closing Date	5.00pm (Sydney time) on 12 November 2014



Shares quoted on deferred settlement basis

13 November 2014

Despatch of holding statements and allotment and issue of New Shares

19 November 2014

Trading of new shares on ASX expected to commence

20 November 2014

Full details of the Offer are contained in the Offer Document, a copy of which accompanies this announcement. Shareholders who wish to acquire New Shares under the Offer should consider the Offer Document carefully and must complete the personalised Entitlement and Acceptance Form attached to the Offer Document.

For further information please contact:

Dan Buckley – Managing Director

Telephone: +61 7 3088 2292 or 0412 237 823

Tiara Coal Limited

ABN 86 127 936 412

Offer Document

Non-Renounceable Entitlement Offer

For a fully underwritten non-renounceable pro rata offer of 131,916,623 New Shares at an issue price of \$0.01 per New Share on the basis of 1 New Share for every 1 Share held on the Record Date to raise up to the sum of \$1.3 million.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 31 October 2014.

Valid acceptances must be received by 5.00pm on 12 November 2014.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

Important Information

Date

This Offer Document has been prepared and is issued by Tiaro Coal Limited ABN 86 127 936 412 is dated 22 October 2014.

No disclosure

This Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act, as modified by ASIC Class Order [CO 08/35]. This Offer Document is not a prospectus or any other form of disclosure document and has not been and will not be lodged with ASIC. Accordingly, this Offer Document does not contain all of the information which a prospective investor may require to make a decision as to whether to subscribe for New Shares. Further, this Offer Document does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus or other form of disclosure document. This Offer Document should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

This Offer Document is important and should be read in its entirety before deciding to participate in the Offer. This Offer does not take into account, and this Offer Document has been prepared without taking into account, the investment objectives, financial or taxation situation or particular needs of any Applicant.

Before applying for New Shares, each Applicant should consider whether such an investment, and the information contained in this Offer Document, is appropriate to their particular needs, considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Neither the Company, nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past Share price performance of the Company provides no guidance to its future Share price performance.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Document, you are entitled to participate in the Offer, you have acted in accordance with the terms of the Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document.

Foreign jurisdictions

This Offer Document, including the Entitlement and Acceptance Form, does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to permit the offer of New Shares under this Offer Document in any jurisdiction other than Australia, New Zealand, Hong Kong or Singapore. The distribution of this Offer Document in jurisdictions outside Australia, New Zealand, Hong Kong or Singapore may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Shareholders resident in Australia, New Zealand, Hong Kong or Singapore holding Shares on behalf of persons who are resident overseas (including nominees, custodians and trustees) are responsible for ensuring that taking up an Entitlement under the Offer does not breach any

regulations in the relevant overseas jurisdiction and should seek independent professional advice and observe any applicable restrictions.

Eligible Shareholders who are resident outside Australia, New Zealand, Hong Kong and Singapore should consult their professional advisors as to whether, in order to take up the Offer, any governmental or other consents are required or other formalities need to be observed.

Return of a duly completed Entitlement and Acceptance Form will constitute a representation by the Eligible Shareholder that there has been no breach of those regulations.

Information regarding the Offer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or any of its officers.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on the original Entitlement and Acceptance Form sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

Publicly Available Information

Information about the Company is publicly available and can be obtained from ASIC, ASX and other sources. Any such publicly available information is not incorporated into this Offer Document and does not form part of the Offer. This Offer Document is intended to be read in conjunction with publicly available information in relation to the Company which has been notified to ASIC and ASX. Eligible Shareholders should have regard to that information prior to making a decision to subscribe for New Shares pursuant to the Offer.

Not investment advice

The information contained in this Offer Document is not and should not be considered to be investment advice. The information is general only and has been prepared without any actual or implied knowledge or consideration of the investment objectives, financial circumstances, taxation position or other particular needs or requirements of you or any other person. You should read this Offer Document in its entirety and seek independent professional advice prior to participating in the Offer.

No recommendation

The information contained in this Offer Document is not a recommendation by the Company (or its officers, employees, agents or advisers) to any person that they should subscribe for New Shares pursuant to the Offer.

Disclaimer

To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made, and to the maximum extent permitted by law, no responsibility or liability is assumed by the Company or its related entities or by any of its officers, employees, agents or consultants or any other person as to the adequacy, accuracy, completeness or reasonableness of this Offer Document. To the maximum extent permitted by law, no responsibility is accepted for errors or omissions from this Offer Document, whether arising out of negligence or otherwise.

Future performance and forward looking statements

Neither the Company nor its Directors nor any other person warrants or guarantees the future performance of the New Shares. Forward looking statements, opinions and estimates provided in this Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document.

Risks

An investment in the New Shares should be regarded as speculative. Please refer to the non-exhaustive summary of risks relating to the Offer contained in Section 2 of this Offer Document.

Enquiries

If you have any questions in relation to the Offer, please contact your stockbroker, solicitor, accountant or other professional adviser. If you have any questions with respect to completing the Entitlement and Acceptance Form, please contact the Company's Chief Executive, Mr Dan Buckley on +61 7 3088 2292 or the Company's Chairman, Mr Peter Meers on +61 2 9449 1381 at any time between 8.30 am to 5.00 pm (Sydney time) Monday to Friday.

Taxation consequences

You should be aware that there may be taxation implications associated with subscribing for New Shares pursuant to the Offer. The Company does not consider it appropriate to give advice regarding the taxation consequences of subscribing for New Shares under this Offer Document or the subsequent disposal of any New Shares allotted and issued under this Offer Document or the subsequent disposal of any New Shares allotted and issued under this Offer. No responsibility or liability whatsoever is accepted by the Company, its officers or advisers in relation to the taxation consequences of the Offer. The Company recommends that all Eligible Shareholders consult their own professional tax advisers in connection with the Offer.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company (including to facilitate distribution payments and to provide corporate communications to Shareholders).

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly, or to the Share Registry). By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including printers, mailing houses and professional advisers, to ASX and to regulatory authorities.

Company and tax law requires some of this information to be collected. If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to, correct

and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and rules such as the ASX Settlement Rules.

Definitions

Certain terms used in this Offer Document are defined in the Glossary, which is contained in Section 5 of this Offer Document. All references to currency are in Australian dollars.

Entire Agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and each Applicant as to the Offer and each Applicant's participation in the Offer, to the exclusion of all prior representations, understandings and agreements between the Company and each Applicant.

1. DETAILS OF THE OFFER

1.1 Overview

The Company is seeking to raise approximately \$1,319,166 by way of a non-renounceable offer to all Eligible Shareholders.

The Offer is fully underwritten (see Section 1.12) and the Company has received irrevocable undertakings from the Take Up Shareholders to take up, and procure their associates to take up, their Entitlements in full (see Section 1.14).

An Entitlement and Acceptance Form setting out your Entitlement to New Shares accompanies this Offer Document. If you do not take up your Entitlement, your shareholding in the Company will be diluted, that is, your percentage holding in the Company will be reduced.

Shareholders should be aware that an investment in the Company involves risks and Eligible Shareholders should consider the investment in the context of their individual risk profile, investment objectives and individual financial circumstances (see Section 2).

1.2 Placement

On 23 September 2014, the Company announced that it had completed an issue of Shares by way of a placement to sophisticated investors (for the purposes of section 708 of the Corporations Act) to raise \$340,000 (before costs) (**Placement**).

The Placement comprised 17,000,000 Shares at an issue price of \$0.02 per Share under the Company's placement capacity pursuant to Listing Rule 7.1. Shareholder approval was consequently not required in order for the Company to make the Placement offer. The holders of the Placement Shares are eligible to participate in the Offer.

1.3 The Offer

The Company is offering all Eligible Shareholders the opportunity to subscribe for additional fully paid ordinary shares in the Company (**New Shares**).

To be eligible to participate in the Offer, you must be registered as a Shareholder at 7.00pm (Sydney time) on 28 October 2014 (**Record Date**) and have a registered address on the Company's share register in Australia, New Zealand, Hong Kong or Singapore.

Eligible Shareholders will be entitled to apply for 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.01 (**Issue Price**).

As at the date of this Offer Document, the Company had on issue 131,916,623 Shares. A maximum number of 131,916,623 New Shares will be issued under the Offer.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole number of New Shares. Where the Company determines that holdings have been split in order to take advantage of this rounding, the Company reserves the right to aggregate holdings held by associated Eligible Shareholders for the purpose of calculating Entitlements.

1.4 New Shares

New Shares issued pursuant to this Offer will be fully paid and rank equally with existing Shares.

The rights and liabilities attaching to the New Shares are set out in the constitution of the Company and in the Corporations Act.

1.5 No rights trading

As the Offer is non-renounceable, you will not be able to sell, trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party. Your Entitlement is personal to you and cannot be traded, transferred, assigned or otherwise dealt with. Eligible Shareholders who do not exercise their Rights will be diluted with respect to their interest in the Company.

1.6 Proposed Use of Funds

The Offer is fully underwritten and accordingly, the Company will raise gross proceeds of \$1,319,166 under the Offer and the Placement, before deducting estimated expenses of approximately \$140,000.

The net proceeds of the Offer will be used to:

- retire the intercompany loan from Paragon, a company in which it holds 53.11%;¹
- advance one or more loans to a Paragon, to fund resource upgrade work;
- fund work on other Company tenements; and
- provide working capital to enable the Company to pursue its corporate objectives.

1.7 Indicative Timetable

Announcement of Offer	22 October 2014
Offer Document, section 708AA Cleansing Notice and Appendix 3B lodged with ASX	Prior to 10.00 am on 22 October 2014
Despatch of notices to Shareholders informing them of the Offer	23 October 2014
Existing Shares quoted on an "Ex Entitlement" basis (date that the Shares start trading without the entitlements to participate in the Offer)	24 October 2014
Record Date (date for determining entitlements of Shareholders to participate in the Offer)	7.00 pm on 28 October 2014

¹ China Qinfu Group (Qinfu) under a Share Subscription Agreement dated 14 June 2013 is required to subscribe for 42,222,222 shares in Paragon at a subscription price of A\$0.03. Once Qinfu subscribes for these shares, the Company's interest in Paragon would reduce to 47.6% assuming no other shares in Paragon were issued or traded.

Offer Document despatched to Shareholders (expected date of despatch of Offer Document)	31 October 2014
Offer Opening Date	31 October 2014
Offer Closing Date *	5.00 pm on 12 November 2014
Shares quoted on a deferred settlement basis	13 November 2014
Shortfall Notification Date	17 November 2014
Issue of New Shares **	19 November 2014
Despatch date and deferred settlement ends	19 November 2014
Trading expected to commence for New Shares on ASX***	20 November 2014

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should an extension occur, it will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change. All dates and times refer to Australian Eastern Standard Daylight Saving Time. The Company reserves the right to vary these dates without prior notice, subject to compliance with the Corporations Act and the Listing Rules. The Company reserves the right to withdraw the Offer at any time before the allotment and issue of the New Shares in its absolute discretion.

*** The commencement of quotation of New Shares is subject to confirmation from ASX.

1.8 Entitlements and acceptance

The entitlement of Shareholders to participate in the Offer was determined on the Record Date. Your entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

1.9 Ability for Eligible Shareholders to Participate in any Shortfall

Eligible Shareholders who take up all of their Entitlement may also apply for further New Shares in excess of their Entitlement up to the Cap.

By completing the relevant box in the Entitlement and Acceptance Form and including the appropriate Application Monies, Eligible Shareholders may, subject to the Cap, apply for such additional New Shares in excess of their Entitlement (**Additional Shares**) as the Eligible Shareholder may specify in the Entitlement and Acceptance Form.

In the event that there is no Shortfall, the Application Monies relating to the Shortfall will be returned to the Eligible Shareholder as soon as practicable following the Closing Date without interest.

Allocations of Additional Shares will only be made out of any available Shortfall and will be capped in accordance with the following formula:

$$N = A \times B$$

Where:

- N = the number of Additional Shares that the Eligible Shareholder is entitled to purchase;
- A = the total number of Additional Shares comprising the Shortfall; and
- B = the proportion which the number of Shares held by that Eligible Shareholder at the Record Date bears to the total of all Shares held at the Record Date by all Eligible Shareholders who have applied for Additional Shares.

The Cap will be applied at the beneficial shareholding level and the Company reserves all rights in its absolute discretion to determine which applications for Additional Shares are made validly within the Cap.

In the event that there is a Shortfall in subscriptions under the Offer, the Directors reserve the right to allocate any Shortfall of New Shares to subscribers for Additional Shares in their absolute discretion having regard to the extent to which any acquisition of Additional Shares may exceed the Cap and/or result in a breach of any law (including, without limitation, Chapter 6 of the Corporations Act).

The Company reserves the right to allot to an Applicant a lesser number of Shares under the Shortfall Facility than the number for which the Applicant applied, to reject an Application for Additional Shares or to not proceed with placing the Shortfall.

Where fractions arise upon calculating the number of Additional Shares for which an Eligible Shareholder may apply (by application of the Cap to the Eligible Shareholder's Entitlement), the Additional Shares will be rounded up to the next whole number of Additional Shares.

In the event that Applications from Eligible Shareholders to participate in the Shortfall exceed the Shortfall and the Company determines to accept Applications for Additional Shares, those Applications may, following the application of the Cap, be scaled back further pro rata in proportion to each Eligible Shareholder's shareholding as at the Record Date, including New Shares allotted or to be allotted, and such number of New Shares produced from such scaling back will be issued to each such Eligible Shareholder.

If:

- a scaling back of Applications to participate in the Shortfall as described in the preceding paragraph occurs;
- the Company determines not to accept Applications for Additional Shares; or
- the Additional Shares for which the Eligible Shareholder applied exceed the Cap,

Application Monies relating to Shares applied for but not issued will be returned to Eligible Shareholders as soon as practicable following the Closing Date without interest.

In accordance with Exception 3 of Listing Rule 7.2, the Company may place any Shortfall at its discretion for up to 3 months after the Closing Date. The issue price of any Shortfall placed will be \$0.01 per Share, being the price at which the

Entitlement is offered to Eligible Shareholders pursuant to this Offer Document.

An Eligible Shareholder who is also a Related Party of the Company is not entitled to apply for any Additional Shares.

1.10 Opening and Closing Dates

The Offer opens on the Opening Date, namely 31 October 2014. The Company will accept Entitlement and Acceptance Forms until 5.00pm on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.11 Issue and despatch

The issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the timetable set out in Section 1.7 of this Offer Document.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

1.12 Underwriting Arrangements

The Underwriter, pursuant to the Underwriting Agreement, has agreed to fully underwrite the Offer subject to the following conditions:

- (a) the Underwriter entering into Sub-underwriting Agreements with each Sub-underwriter;
- (b) the Sub-underwriters lodging valid Entitlement and Acceptance Forms equivalent to the aggregate Shortfall within 3 business days after the Closing Date;
- (c) this Offer Document being released on ASX by the agreed lodgement date; and
- (d) the Take Up Shareholders providing the Company with valid Entitlement and Acceptance Forms for their Entitlement not later than 3 business days prior to the Closing Date.

Under the Underwriting Agreement, the Company is required to pay a fee of 2.0% (exclusive of GST) of the value of the Underwritten Shares to the Underwriter in connection with its underwriting of the Offer, which fee is to be paid in immediately available funds.

The Company is also required to pay or reimburse the Underwriter for all reasonable disbursements and out of pocket expenses incurred by the Underwriter in connection with underwriting the Offer. The Underwriting Agreement further provides that the Company is also required to reimburse the Underwriter for any reasonable disbursements and out of pocket expenses incurred by the Underwriter in connection with its underwriting of the Entitlement Offer (including but not limited to travel, accommodation, printing, legal fees capped to an amount of \$10,000, any other professional fees and communication expenses).

The Company must indemnify the Underwriter from and against all prosecutions, losses, penalties, actions, suits, claims, expenses, costs, liabilities, charges,

outgoings, payments, demands and proceedings, suffered, incurred, paid or liable to be paid directly or indirectly arising out of, or in respect of:

- (a) the Entitlement Offer;
- (b) non compliance with or breach of any legal requirement or the Listing Rules in relation to this Offer Document or any documents issued in respect of the Entitlement Offer;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Offer Document, or any documents issued in respect of the Offer; and
- (d) any breach or failure by the Company to observe the terms of the Underwriting Agreement.

The Underwriting Agreement contains the usual grounds entitling the Underwriter to terminate the Underwriting Agreement, including:

- (a) alteration of the Company's capital structure or its constitution without the Underwriter's prior written consent;
- (b) a change in legislation or ASIC or Reserve Bank policy which prohibits or is likely to prohibit or restrict the Entitlement Offer, or would, in the opinion of the Underwriter, have a material adverse effect on the Company and its subsidiaries;
- (c) a breach by the Company of any of the terms and conditions of the Underwriting Agreement which breach is incapable of remedy or is not remedied within 5 business days after it occurs;
- (d) a suspension of trading of Shares (other than a voluntary suspension or trading halt approved by the Underwriter);
- (e) an insolvency event occurring in relation to the Company or any of its subsidiaries;
- (f) the Company being prevented from conducting or completing the Offer by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or by order of a court;
- (g) ASX making a statement that official quotation of the Offer will not be granted;
- (h) an application being made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer Document and such application is not dismissed or withdrawn before the Closing Date;
- (i) a director or senior manager of the Company being charged with an indictable offence; or
- (j) a change in the composition of the Board or senior management occurring without the Underwriter's prior written consent;

Given that the Offer is fully sub-underwritten, the underwriting arrangements will have no effect on the control of the Company.

1.13 Sub-underwriting Arrangements

Each Sub-underwriter has entered into a Sub-underwriting Agreement with the Underwriter to sub-underwrite New Shares calculated in accordance with the following formula:

$$N = \frac{A}{B} \times C$$

Where:

N – the Sub-underwriter's maximum sub-underwriting allocation

A – the number of Shares the Sub-underwriter has committed to take up in its respective Take Up Deed

B – the aggregate number of Shares committed to be taken up by all the sub-underwriters in any subunderwriting arrangements to which the Underwriter is party in relation to the Offer

C – the aggregate number of Shares comprising the Shortfall.

In the case of the Bright Rock Sub-underwriting Agreement, its maximum sub-underwriting allocation calculated in accordance with the above formula is capped at 34.8 million Shares.

ACEA has agreed to sub-underwrite the balance of Shares (if any) by which Bright Rock's maximum sub-underwriting allocation exceeds 34.8 million Shares.

Each Sub-underwriter is also required to take up their respective Entitlements under the Offer.

The sub-underwriting arrangements entered into by each Sub-underwriter have been entered into on arm's length terms and the Sub-underwriting Agreements are on substantially identical terms.

As required by Listing Rule 10.12 (Exception 2) a summary of the terms of the Sub-underwriting Agreements is as follows:

- (a) each Sub-underwriter agrees to underwrite a portion of the Shortfall, determined in accordance with the above formula;
- (b) no fee is payable by the Underwriter under the Sub-underwriting Agreements;
- (c) each Sub-underwriter must indemnify the Underwriter and its related bodies corporate or any of their affiliates, directors, officers, employees, agents or professional advisors against all liabilities, demands, obligations, losses (including loss of profit), claims, damages, prosecutions, penalties, actions, proceedings, judgements, suits, costs, fees, expenses or disbursements which may be imposed on, incurred by or suffered by such persons relating to or arising out of any proven breach by the Sub-underwriter of its obligations (including any breach of representation, warranty, acknowledgement or undertaking) arising from the Sub-underwriter's acceptance of the sub-underwriting offer made by the Underwriter under the applicable Sub-underwriting Agreement; and

- (d) the Sub-underwriters are not permitted to terminate their respective Sub-underwriting Agreement. However, if the Entitlement Offer does not proceed or if the Underwriting Agreement is terminated, the Sub-underwriting Agreements will also terminate.

The table below sets out the maximum sub-underwriting commitments of ACEA, Bright Rock and Meers Superannuation and illustrates the maximum potential increase in their shareholdings as a consequence of fully sub-underwriting the Offer:

	<u>Total Shares on Issue</u>	<u>ACEA Shares (% Voting Power)</u>	<u>Bright Rock Shares (% Voting Power)</u>	<u>Meers Superannuation Shares (% Voting Power)</u>
<u>Prior to the Offer</u>	<u>131,916,623</u>	<u>22,600,000 (17.1%)</u>	<u>22,600,000 (17.1%)</u>	<u>540,000 (0.4%)</u>
<u>Following the Offer assuming 100% subscription of Offer by Eligible Shareholders and no Shares are issued under underwriting or sub-underwriting arrangements</u>	<u>263,833,246</u>	<u>45,200,000 (17.1%)</u>	<u>45,200,000 (17.1%)</u>	<u>1,080,000 (0.4%)</u>
<u>Following the Offer assuming 75% of Shares offered to Eligible Shareholders are subscribed for under Offer and Shortfall</u>	<u>263,833,246</u>	<u>49,277,292 (18.7%)</u>	<u>49,277,292 (18.7%)</u>	<u>1,170,206 (0.4%)</u>
<u>Following the Offer assuming 50% of shares offered to Eligible Shareholders are subscribed for under Offer and Shortfall</u>	<u>263,833,246</u>	<u>61,509,166 (23.3%)</u>	<u>61,509,166 (23.3%)</u>	<u>1,440,822 (0.5%)</u>
<u>Following the Offer assuming 25% of shares offered to Eligible Shareholders are subscribed for under Offer and Shortfall</u>	<u>263,833,246</u>	<u>82,711,250 (31.3%)</u>	<u>80,000,000 (30.3%)</u>	<u>1,891,850 (0.7%)</u>
<u>Following the Offer assuming none of the Shares offered to Eligible Shareholders are subscribed for under Offer and Shortfall</u>	<u>263,833,246</u>	<u>85,700,000 (32.5%)</u>	<u>80,000,000 (30.3%)</u>	<u>1,900,000 (0.7%)</u>

- * The maximum shareholding of each Sub-underwriter will occur in circumstances where no other person takes up New Shares under the Offer, and each Subunderwriter must therefore take up its entire portion of the Shortfall. The percentages shown in this column will be lower to the extent other Eligible Shareholders take up New Shares.

1.14 Take Up Deeds

Under Take-Up Deeds with the Company dated 22 October 2014, the Take Up Shareholders have each agreed to take up (or procure their associates to take up) all of their respective Entitlements under the Offer.

1.15 Effect on capital structure

The principal effect of the Offer on the Company's capital structure will be to increase the total number of issued Shares.

The following table illustrates the changes in the capital structure of the Company that will occur as a consequence of the Offer assuming the Offer is fully subscribed and that no Options are exercised.

	Shares	Options
As at the date of announcement of this Offer	131,916,623	Nil
Following completion of the Offer	263,833,246*	Nil

**Due to rounding of Entitlements, the exact number of New Shares to be issued will not be known until after completion of the Offer.*

As at the date of this Offer Document, the Company has no options on issue.

Eligible Shareholders who take up their Entitlement in full will not be diluted as a result of the Offer. Eligible Shareholders who do not take up all of their Entitlements will be diluted.

1.16 Effect on Control

The potential effect that the Offer will have on the control of the Company will depend on the extent to which Eligible Shareholders take up their Entitlements under the Offer.

The issue of the New Shares by the Company is not intended to have any material effect or consequence on the control of the Company. If all Eligible Shareholders take up their full Entitlement there will not be any change in the control of the Company as a result of the Offer.

However, if all Eligible Shareholders do not take up their full Entitlement and the Substantial Shareholders do take up their full Entitlement there may be a change in the control of the Company as described in the table in Section 1.13 above.

As noted in the table in Section 1.13, the Entitlement Offer may result in one or more persons increasing their interest in the Company above 20%.

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if as a result of the transaction in relation to securities, a person's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%).

There are exceptions to the prohibition, including an acquisition pursuant to a rights issue (if the conditions in item 10 of section 611 of the Corporations Act are satisfied). This exception extends to any underwriter or sub-underwriter to the Offer. If the exception in item 10 of section 611 is to be relied upon then, amongst other things:

- (a) the relevant offer must be made to every person who holds shares in the company (including in relation to foreign shareholders, regardless of the jurisdiction in which they are domiciled); or
- (b) if the offer is not made to foreign shareholders, the requirements of section 615, regarding the appointment of a nominee to sell the securities that would otherwise have been offered to the foreign shareholders, must be complied with, which includes a requirement for ASIC to approve the nominee.

As the Offer may impact on the control of the Company (depending upon the extent to which Eligible Shareholders subscribe for their Entitlements) the exception under item 10 of section 611 may need to be relied upon in relation to the Shares to be acquired by one of the sub-underwriters and any other person who may acquire an interest in greater than 20% of the Company.

1.17

Foreign Persons

The Entitlement Offer is being made to all Shareholders on the register of the Company at 7.00pm (AEST) on 28 October 2014 with an address in Australia, New Zealand, Hong Kong and Singapore. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of existing Shares.

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Return of a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

Where the Entitlement Offer has been dispatched to a Shareholder domiciled outside the eligible jurisdictions and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by this Offer Document, this Offer Document is provided for information purposes only.

The Company is in the process of appointing a nominee for the Ineligible Shareholders to arrange for the sale of the Entitlements for which Ineligible Shareholders have applied but will not be issued due to their being ineligible to participate in the Entitlement Offer. The appointment is subject to approval by ASIC in accordance with section 615 of the Corporations Act. The Company will announce the name of the nominee to the ASX once the appointment has been made and approved by ASIC.

The Company will transfer the Entitlements of these Ineligible Shareholders to the nominee who will account to the Ineligible Shareholders for the net proceeds of the sale of the Entitlements (if any) less expenses. The nominee will have the absolute and sole discretion to determine the timing and the price at which Entitlements may be sold and the manner of any such sale.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements or a surplus over the expenses of sale cannot be obtained for the Entitlements that would have been offered to the Ineligible Shareholders, then the Entitlements will be allowed to lapse and they will form part of the Shortfall.

1.18 No brokerage

Eligible Shareholders who participate in the Offer will not be charged brokerage or commissions in relation to their acceptance of the Offer.

1.19 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. All trading on ASX in Shares will be settled through CHESS. ASX Settlement Pty Ltd ACN 008 504 532 (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Rules. Under CHESS, Applicants who accept the Offer will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number. A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.20 ASX quotation

The Company has made an application to the ASX for the official quotation of the New Shares. If the ASX does not grant quotation to the New Shares, then no allotment and issue of any New Shares will take place and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to the Offer.

Trading of New Shares will, subject to the ASX approval, occur on or about the date specified in the Timetable in Section 1.7.

1.21 Allotment and despatch of Holding Statements

Subject to the New Shares being granted quotation on the ASX, the New Shares will be allotted and issued and holding statements despatched in accordance with the Timetable in Section 1.7. If the Closing Date is extended, the date for allotment and despatch may also be extended. It is expected that despatch of holding statements and allotment and issue of New Shares will take place on or about 19 November 2014.

Application Monies received from Applicants will be held in trust by the Company until allotment and issue of the New Shares. The Company will be entitled to retain any interest paid on the monies so held, even if the Offer does not proceed.

It is your responsibility to confirm your holding before trading in those new Shares. If you sell your New Shares before receiving confirmation of your holding, you do so at your own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, for any liability or cost you may incur if you trade in New Shares before receiving your holding statement.

1.22

Overseas Shareholders

This Offer Document has been prepared to comply with the requirements of the securities laws of Australia.

The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company is of the view that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the number and value of the New Shares which would be offered to Ineligible Shareholders; and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended to any Shareholder whose registered address is outside Australia, New Zealand, Hong Kong or Singapore. The Company reserves the right to treat as invalid any Entitlement and Acceptance Form that appears to have been submitted by an Ineligible Shareholder.

The distribution of this Offer Document (including an electronic copy) outside Australia, New Zealand, Hong Kong and Singapore is restricted by law as set out below. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

In making the Offer to Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand) by virtue of which this Offer Document is not required to be registered in New Zealand.

Hong Kong

The New Shares may not be offered or sold by means of any document other than:

- (a) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap 32, Laws of Hong Kong) (**Companies Ordinance**); or
- (b) to "professional investors" as defined in the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (**SFO**) and any rules made under the SFO; or
- (c) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, and

no advertisement, invitation or document relating to the New Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

This Offer Document has not been, and will not be, registered as a prospectus under the Companies Ordinance, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the SFO. No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

WARNING: The contents of this Offer Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any contents of this Offer Document, you should obtain independent professional advice.

Singapore

This Offer Document and any other materials relating to the Entitlement and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are:

- (a) an existing holder of the Company's shares;
- (b) an "institutional investor" (as defined in the SFA); or
- (c) a "relevant person" (as defined in section 275(2) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. Accordingly, investors are advised to acquaint themselves with the SFA provisions related to resale restrictions and comply accordingly.

1.23 Directors' Discretion

Without limiting the other powers and discretions set out in this Offer Document, the Directors (or their delegate for this purpose) may implement the Offer in the manner they think fit and settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this Offer Document, as they think fit, whether generally or in relation to any Shareholder or any Shares, and the determination of the Directors (or their delegate) is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

1.24 Governing Law

This Offer Document, the Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in New South Wales. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

1.25 Taxation implications

There may be taxation implications associated with participating in the Offer and receiving New Shares. The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document or the subsequent disposal of any New Shares allotted and issued under this Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

2. RISK FACTORS

An investment in New Shares should be regarded as speculative and is a decision which is subject to the same type of risks that are ordinarily associated with purchasing securities in ASX listed companies.

Applicants should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether or not to apply for New Shares under the Offer. The brief summary of risk factors set out below is not exhaustive.

The Company is subject to a number of risks, uncertainties and other factors that may impact both on its future performance and the value of its Shares. Broadly, these risks can be classified as risks general to investing in shares and risks specific to an investment in the Company.

The New Shares issued under this Offer do not carry any guarantee of profitability or in relation to the payment of dividends, return of capital or the market value of the New Shares.

The Directors consider that the following summary represents some of the major risk factors of which investors need to be aware. However, before taking up any Rights or investing in the Company, the Directors strongly recommend investors examine the contents of this Offer Document in its entirety, consider these risks carefully and if they are in any doubt, should consult their financial, legal or other professional advisers before deciding whether to subscribe for New Shares pursuant to this Offer.

General

As is the case with any investment listed on ASX, the value of New Shares may at any time fall below or exceed the issue price for the New Shares under this Offer Document. Movement in the Company's Share price may be attributable to any number of factors associated with financial and operating conditions. Similarly, external factors may have a bearing on the value of the New Shares, over which the Company has no control.

(a) Share market risk

The market value of the Shares may change depending upon a range of factors beyond the Company's control and which are unrelated to the Company's operational performance. The price of Shares listed on the ASX may also be affected by a range of factors including the Company's financial performance and changes in the business environment.

National and international market factors may also affect the price of Shares, including movements in international stock markets, general economic conditions and outlook, interest rates, exchange rates, inflation, commodity supply and demand, government taxation and royalties, legislation, monetary and other policy changes, and general investor perception. As the Company and its Directors have little or no control over any of these factors, no guarantee can be made that the price of Shares will not be affected by one or more of these factors. Furthermore, the Shares are not guaranteed in respect to profitability, distributions, return on capital, or market price.

(b) General economic conditions

General economic conditions such as economic activity, inflation, interest rates and commodity pricing affect the performance of the Company.

As these factors are beyond the control of the Company, their potential impact cannot be predicted.

(c) Changes in laws and government policy:

Government regulations and policies may adversely affect the financial performance and/or the current and proposed operations of the Company.

New legislation and/or new regulations or orders may be adopted that may materially adversely affect the Company's current or proposed investments, operations and/or cost structure. New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations) may also require the Company to change operations significantly or to incur increased costs.

(d) Taxation

Future changes to tax law or changes to the way in which taxation laws are interpreted in the various jurisdictions in which the Company operates or makes underlying investments may correspondingly impact the taxation liability of the Company or the value of its assets.

There are tax implications arising from purchasing and selling Shares, receiving distributions from the Company, and participation in any on-market Share buy-backs. Accordingly, investors should seek their own independent taxation advice before applying for New Shares under the Offer.

(e) Insurance risks

Although insurance is maintained by the Company, no assurance can be given that adequate insurance will continue to be available to the Company in the future or on commercially acceptable terms.

In addition, the Company may incur liabilities to third parties (in excess of any insurance cover or statutory reserves) arising from negative environmental impacts or other damages or injury. There is a risk of an occurrence of a significant event leading to losses that are not fully covered by insurance.

(f) Government actions and other events:

The impact of actions by domestic and international governments may affect the Company's activities, including in relation to access to infrastructure, compliance with environmental regulations and taxation.

Events may occur within or outside Australia that could impact on the world economy, the operations of the Company and the price of the Shares. These events include war, acts of terrorism, civil disturbance,

political intervention and natural events such as earthquakes, floods and fires. The Company has only a limited ability to insure against some of these risks.

(g) Unforeseen expenses:

Other external factors that may affect the value of the New Shares include (but are not limited to):

- changes in investor sentiment toward particular market sectors;
- changes in interest rates and the rate of inflation;
- the demand for, and supply of, capital;
- changes in exchange rates;
- changes to accounting standards; and
- the nature of competition in the industry in which the Company operates.

Specific risks relating to the Company

There are a number of specific risks relating to the industry in which the Company operates of which Shareholders should be aware. The following is not an exhaustive summary, but points to some of the risks that are particular to a mining exploration company. Any one or a combination of such risks could affect Company adversely and therefore the value of any investment in Company. The Board is unable to speculate as to the extent of such adversity.

(a) Exploration, Development, Mining and Processing Risks

The mineral tenements of the Company are at various stages of exploration. The business of minerals exploration, project development and production involves risks by its very nature. It depends on the successful exploration, appraisal and development of commercially viable deposits.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic coal deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and may other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this outcome could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Production Risks

Operations such as design and construction of efficient mining and processing facilities, competent operation and managerial performance, and efficient transport and marketing services, are required for the Company to be successful. In particular, production operations can be hampered by force majeure circumstances, engineering difficulties, cost overruns, errors in resource estimation, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, inconsistent recovery rates, fire, explosions and other unforeseen events.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

(c) Resource Estimates

The calculation and interpretation of resource estimates are by their nature expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may, in turn, adversely affect the Company's operations.

(d) Access to Land

Significant delays may be experienced in gaining access to privately owned freehold, communal, customary, state or leasehold land. Delays may be caused by weather, deference to landholders' activities such as cropping, harvesting and other factors.

(e) Title Risks and Cultural Heritage

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting requirements, as well as other conditions requiring compliance. Consequently, the Company may lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Commonwealth and State legislation requires the Company to identify and protect sites of significance to Aboriginal custom and tradition.

Delays may be experienced if one or more sites of significance exist on any land in relation to which the Company requires access.

When exercising a right or permission for access to any land, it may be an offence to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production.

The current and future assets of the Company may be subject to land claims or native title claims by indigenous people. Should any such claim be lodged, the Company's ability to conduct exploration and/or mining activities may be affected, which may have a material adverse effect on the Company's financial performance.

The Company has not undertaken the comprehensive research, investigations or enquiries which would be necessary to enable it to form an opinion with certainty as to whether any such evidence exists on any land covered by the Company's, or its subsidiaries', wholly-owned, leased or optioned tenements.

(f) Environmental Risks

The Company's projects are subject to Queensland and Federal Australian Government and Indonesian Government regulations regarding environmental matters.

Development of any mineral resources will be dependent on the relevant project meeting environmental guidelines and gaining approvals by the relevant government authorities.

As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly through its mining operations. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Whilst the Company is not aware of any endangered species of flora or fauna that may be affected by its activities, no baseline studies have been carried out to date and the discovery of such flora or fauna may prevent or delay exploration and mining activity in the relevant area.

Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects. The cost and complexity of complying with applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

There are certain risks that are inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and could lead to forfeiture of its tenements. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business and financial condition.

Changes to legislative requirements including changes to income tax law introduced to reduce emissions caused by greenhouse gases may have an adverse effect on current exploration and mining operations in the future. The introduction of a carbon price mechanism in any of the jurisdictions in which the Company operates may increase the cost structure of the Company.

(g) Exploration and Appraisal Expenditure

Exploration and appraisal is a process subject to unforeseen contingencies. Exploration programs must be flexible enough to respond to the results obtained.

The actual scope, costs and timetables of exploration programs may differ substantially from the proposals previously announced by the Company. Financial failure, or default by any future alliance or joint venture partner of the Company, may require the Company to face unplanned expenditure or risk forfeiting relevant tenements.

(h) Regulatory Risk

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions of operation including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities for its exploration, development, production and rehabilitation activities.

Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with such permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operations or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities, suspension of the Company's activities or forfeiture of one or more of its tenements.

(i) Funding

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the Company's cash reserves, and its ability to obtain future equity or debt funding to support exploration, evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the Company's projects, stock market conditions and prices for minerals in world markets.

The Company may exhaust its current cash reserves and still require further capital, which it may not be able to attract, for whatever reason.

If it is able to attract additional capital, then there is no present basis to predict what the terms or nature of that capital raising might be and what affect it might have on existing Shareholders.

If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone exploration, development or production on the Company's properties and/or reduce the scope of its operations, which may affect the Company's ability to continue as a going concern.

(j) Key Personnel

The ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example, to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has previously determined.

In addition, the responsibility of overseeing day-to-day operations and the strategic direction of the Company is concentrated amongst a small management team. A loss of any member of the senior management team could have a material adverse effect on the Company's prospects.

(k) Volatility in the price of coal

Coal prices are influenced by the physical and investment demand. These factors include world demand for coal, forward selling by producers and production cost levels in major steel-producing regions. Fluctuations in coal prices may influence timing, viability and management of projects in which the Company has an interest.

(l) Commodity price volatility

Commodity prices are influenced by a number of international factors including world inflation, geo-political events, central bank transactions, exchange rates as well as supply and demand factors.

The price of commodities will influence returns on each project in which the Company is involved, subject to any hedging contracts the Company may or may not take out in relation to future production, as well as its ability to fund its activities.

(m) Share price volatility and trading volumes

The market price of Shares in the Company may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the operations of the Company.

While the Company is admitted to the ASX official list, there is no guarantee of the trading volumes in the Company's Shares or of liquidity in the Shares.

It is possible that the Shares will trade at prices below the issue price for the New Shares following the Offer which may affect the Company's ability to raise equity in future.

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or its Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its Shares.

Before any decision is made to subscribe for New Shares in the Company, the above matters, and all other matters described in this document should be carefully considered by prospective investors. The New Shares to be allotted pursuant to this Offer Document should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their value.

Neither the Company nor any of its Directors guarantees that any specific objective of the Company or that any particular performance of the Company or its Shares, including the New Shares offered by this Offer Document, will be achieved.

3. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

3.1 Eligible Shareholders

All Eligible Shareholders who are registered as a holder of Shares as at the Record Date (being 7.00 pm Sydney time) and who have a registered address in Australia, New Zealand, Singapore or Hong Kong on 28 October 2014 are eligible to participate in the Offer.

3.2 Options available to Eligible Shareholders

If you are an Eligible Shareholder on the Record Date, you may:

- (a) take up **all or part** of your Entitlement, in which case your proportionate shareholding will:
 - (i) remain the same if you take up all of your Entitlement; or
 - (ii) be diluted if you take up only part of your Entitlement; or
- (b) apply for more than your Entitlement, in which case your proportionate shareholding will:
 - (i) increase if you are allocated any Shares under the Shortfall Facility; or
 - (ii) remain the same if you are not allocated any Shares under the Shortfall Facility; or
- (c) do nothing, in which case your Entitlement will lapse and your proportionate shareholding in the Company will be diluted.

3.3 How to accept the Offer

If you wish to take up all or part of your Entitlement, you should complete the personalised Entitlement and Acceptance Form accompanying this Offer Document (for all of the New Shares offered to you or such lesser number as you wish to accept) in accordance with the instructions set out on the form. If you also wish to apply for any Shares under the Shortfall Facility, you will also need to complete the "Number of additional shares applied for under the Shortfall Facility" section of the Acceptance Payment Details in the Entitlement and Acceptance Form, in accordance with the instructions set out on the form.

Your completed Entitlement and Acceptance Form should be forwarded, together with your cheque, money order or bank draft for the amount due in respect of the number of New Shares for which you have applied (being that number multiplied by \$0.01), so that it is received by the Share Registry at the following address by no later than 5.00pm (Sydney time) on 12 November 2014 or such later date as the Directors advise:

Tiaro Coal Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Entitlement and Acceptance Forms and payments of Application Monies will not be accepted at Tiaro Coal Limited's registered or corporate offices.

Cheques, money orders and bank drafts will only be accepted in Australian currency and must be drawn on an Australian financial institution, made payable to "Tiaro Coal Limited" and crossed "Not Negotiable".

Cash payments will not be accepted. Receipts for payment will not be issued.

For the convenience of Eligible Shareholders, an Australian reply paid envelope addressed to the Share Registry has been enclosed with this Offer Booklet.

If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares for which you have applied, or is more than the number of New Shares for which you have applied, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies.

Unless you apply to participate in the Shortfall Facility in accordance with the instructions in Section 3.4, acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may take up your Entitlement for a lesser number of New Shares than the number shown on your Entitlement and Acceptance Form.

If your acceptance of the Offer exceeds your Entitlement, and you have not applied to participate in the Shortfall Facility, your acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned to you.

3.4 Shortfall Facility

Eligible Shareholders may apply for New Shares in addition to their Entitlement under the Shortfall Facility. The Shortfall Facility allows the Company to place the Shortfall Shares with Eligible Shareholders and third parties so that the maximum amount can be raised under the Offer.

For Eligible Shareholders wishing to take up Shares in excess of their Entitlement please indicate the number of New Shares in addition to your Entitlement for which you wish to subscribe when completing the Entitlement and Acceptance Form. The Application Amount can be calculated as follows:

$$\text{Application Amount} = \text{Number of Shares applied for under the Shortfall Facility} \times \$0.01 + \text{Amount shown on Acceptance Form}$$

An Eligible Shareholder who is also a Related Party of the Company is not entitled to apply for New Shares in addition to their Entitlement.

3.5 Allocation of Shares under the Shortfall Facility and of Shortfall Shares

The following rules apply to the applications under the Shortfall Facility:

- (a) there is no guarantee that any participating Eligible Shareholder will receive Shortfall Shares under the Shortfall Facility, however, all participating Eligible Shareholders will receive at least their Entitlement;

- (b) the Board reserves its right to scale back applications for Shortfall Shares under the Shortfall Facility and the Board's decision is final; and
- (c) the Board reserves its right to place the Shortfall Shares with Eligible Shareholders participating in the Shortfall Facility and Shortfall Shares with third parties (subject to the Listing Rules and the Corporations Act).

The Board reserves the right to issue Shortfall Shares at its discretion within 3 months from the Closing Date, but in that case no Director would subscribe for any Shortfall Shares.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors (at their discretion) and will be final and binding on Eligible Shareholders who have applied for Shortfall Shares.

Until the allocation of New Shares under the Offer, all Application Monies will be deposited in a separate bank account and held on trust. Surplus Application Monies will be refunded to the relevant Eligible Shareholder as soon as practicable in accordance with the Corporations Act.

3.6 Declining to take up your Entitlement

If you decide not to participate in the Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. Your Rights will form part of the Shortfall which will be taken up by Eligible Shareholders who elect to participate in the Shortfall and further by the Sub-underwriters and you will not receive any benefit.

You should note that the Company is not required to issue any New Shares to a person accepting the Offer under this Offer Document unless the Share Registry receives a completed Entitlement and Acceptance Form and a cheque or bank draft for the full amount due in respect of the New Shares by 5.00pm (Sydney time) on 12 November 2014 or such later date as the Directors advise and there are sufficient funds in the account on which the cheque or bank draft is drawn so that the cheque or bank draft clears in favour of the Company when it is first presented for payment.

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Offer Document.

If you take up only some of your rights, your remaining rights will lapse as set out in the Section 3.7 below.

3.7 Allowing Entitlements to lapse

As stated above, if you do not wish to exercise any or part of your Entitlements, you are not required to do anything. In that case, the Entitlements will lapse without any benefit to you. By not taking any action and not taking up your Entitlement your shareholding in the Company will be diluted.

3.8 Application is unconditional

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares (including Shares under the Shortfall Facility) on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn.

If the Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Board's decision whether to treat an Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you agree to be bound by the terms of the Offer;
- (b) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) once the Company (or the Share Registry) receives the Entitlement and Acceptance Form, you may not withdraw it;
- (d) you agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, at \$0.01 (1 cent) per New Share;
- (e) you agree to be issued with the number of New Shares that you apply for up to or equal to your pro-rata entitlement, and agree to be issued the number of Shortfall Shares applied for (if any), as determined by the Company;
- (f) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (g) you declare that you were the current registered holder of Shares on the Record Date and have a registered address on the Company's share register in Australia, New Zealand, Hong Kong or Singapore;
- (h) you acknowledge that the information contained in this Offer Document and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that the Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX; and
- (i) you acknowledge the statement of risks in the "Risks Factors" section of the Offer Document regarding any key operational and investment risks, and that investments in the Company are subject to investment risk.

You cannot withdraw your Application once it has been accepted.

3.9 Enquiries

If you are in any doubt as to whether you should participate in the Offer you should consult your stockbroker, accountant, solicitor or other professional adviser.

If you have any questions, please call the Company's Chief Executive, Mr Dan Buckley on +61 7 3088 2292 or the Company's Chairman, Mr Peter Meers on +61 2 9449 1381 at any time between 8.30 am to 5.00 pm (Sydney time) Monday to Friday before the Offer closes.

4. INFORMATION REGARDING TIARO COAL AND THIS OFFER

4.1 Continuous disclosure and reporting obligations

The Company is a "disclosing entity" (as defined in the Corporations Act) and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Company to notify the ASX of information about specific events and matters as they arise for the purpose of the ASX making the information available to the securities market conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify the ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. The ASX maintains records of company announcements for all companies listed on the ASX. The announcements of the Company may be viewed on the ASX website at www.asx.com.au.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

4.2 Cleansing Notice

This Offer Document is issued pursuant to section 708AA of the Corporations Act, as modified by ASIC Class Order [CO 08/35], as an offer document for the offer of securities for issue, under an entitlement offer, without disclosure to investors under Part 6D.2 of the Corporations Act.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act for the making of an entitlement offer without disclosure to investors, the Company provided the ASX with a cleansing notice that complied with the requirements of section 708AA(7) on 22 October 2014, prior to despatch of this Offer Document. In addition to certain minor and technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on control of the Company and the consequences of that effect.

The cleansing notice appears in the Company's releases on ASX.

5. DEFINITIONS AND INTERPRETATION

5.1 Definitions

The following definitions apply in interpreting this Offer Document, except where the context makes it clear that a definition is not intended to apply:

ACEA	means ACEA Resources Pte. Ltd. (Singapore Company Registration No. 201327333Z).
Additional Shares	has the meaning given in Section 1.9.
Applicant	means a person who makes an Application under the Offer.
Application	means an application to subscribe for Shares under this Offer Document made on the Entitlement and Acceptance Form and accompanied by the relevant Application Monies.
Application Monies	means the monies received from persons applying for Shares pursuant to the terms of the Offer.
ASIC	means the Australian Securities & Investments Commission.
ASX Settlement Rules	the operating rules of the settlement facility operated by the ASX Settlement Pty Ltd ACN 008 504 532.
ASX	means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors of the Company
Bright Rock	means Bright Rock Holdings Limited, a company incorporated in Hong Kong.
Buckley	means the Director of the Company, Daniel Buckley.
Cap	means the maximum number of Additional Shares that an Eligible Shareholder is entitled to purchase determined in accordance with the formula set out in Section 1.9.
Closing Date	means 5.00pm on 12 November 2014, or such later date as the Directors, in their absolute discretion may determine.
Company	means Tiaro Coal Limited ABN 86 127 936 412.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.

Eligible Shareholder	means Shareholders who: <ul style="list-style-type: none"> • are registered as holders of Shares on the Record Date, being 7.00pm (AEST) on the Record Date; • have registered addresses on the Company's share register in Australia, New Zealand, Hong Kong or Singapore; and • are eligible under all applicable securities laws to receive an offer under this Offer Document.
Entitlement	means the number of New Shares each Eligible Shareholder is offered under the Offer as designated on their personalised Entitlement and Acceptance Form.
Entitlement and Acceptance Form	means the Entitlement and Acceptance Form accompanying this Offer Document.
Entitlement Offer	means the issue pursuant to this Offer Document of New Shares.
Ineligible Shareholder	means a Shareholder that is not an Eligible Shareholder.
Listing Rules	means the Listing Rules of the ASX.
Meers	means Patricia Mary Meers.
Meers Superannuation	means Meers Family Pty Limited ACN 153 713 136 as trustee for the Meers Superannuation Fund.
Merchant	means Zaheer Merchant.
New Share	means a Share issued by way of the pro rata non-renounceable Entitlement Offer offered pursuant to this Offer Document.
Offer	means the pro rata non-renounceable offer of New Shares at an issue price of \$0.01 each on the basis of 1 New Share for every 1 Share held on the Record Date pursuant to this Offer Document.
Offer Document	means this Offer Document dated 22 October 2014.
Opening Date	means 31 October 2014.
Paragon	means Paragon Coal Pty Ltd ACN 160 238 504.
Record Date	means 28 October 2014.
Related Party	has the meaning given in section 228 of the Corporations Act and includes a director of the Company, their spouses, de facto spouses, parents or children or an entity controlled by any of them.

Right	means the right of an Eligible Shareholder to subscribe for New Shares.
Section	means a section of this Offer Document.
Share	means an ordinary fully paid share in the capital of the Company.
Shareholder	means a shareholder whose details appear on the Company's register of Shareholders as at the Record Date.
Share Registry	means Computershare Investor Services Pty Limited.
Shortfall	means New Shares not applied for by Eligible Shareholders pursuant to their Rights.
Shortfall Facility	means the right for Eligible Shareholders who take up all of their Entitlement to also apply for Additional Shares in excess of their Entitlement up to the Cap, as described in Section 1.9.
Shortfall Shares	means the New Shares that are not subscribed under the Offer and pursuant to the Underwriting Agreement, which may be allocated by the Directors at their absolute discretion.
Sub-underwriters	means ACEA, Bright Rock and Meers Superannuation, and Sub-underwriter means each of them.
Sub-underwriting Agreements	<p>means each of the following agreements:</p> <ul style="list-style-type: none"> (a) the Sub-underwriting Agreement between the Underwriter and ACEA; (b) the Sub-underwriting Agreement between the Underwriter and Bright Rock; and (c) the Sub-underwriting Agreement between the Underwriter and Meers Superannuation, <p>each dated 21 October 2014.</p>
Substantial Shareholder	has the meaning given to that term in the Corporations Act.
Take Up Shareholders	means ACEA, Bright Rock, Meers, Buckley and Merchant.
Underwriter	means Refresh Capital Pty Ltd ACN 600 600 771.
Underwriting Agreement	means the Underwriting Agreement dated 22 October 2014 between the Underwriter and the Company.
Underwritten Shares	means 131,916,923 New Shares to be underwritten by the Underwriter pursuant to the Underwriting Agreement.

5.2

Interpretation

In this Offer Document and in the Entitlement and Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a natural person includes any Company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (d) a reference to a section is a reference to a Section of this Offer Document;
- (e) a reference to a statute, regulation, proclamation, ordinance, by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) headings and boldings are for convenience only and do not affect the interpretation in this Offer Document;
- (g) a reference to time, unless otherwise stated, is a reference to Australian Eastern Time;
- (h) a reference to \$ or dollar is to Australian currency; and
- (i) a reference to writing includes email and facsimile transmissions.

Tiaro Coal Limited

ACN 127 936 412

For all enquiries:

Phone:



(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Web:



www.investorcentre.com/contact

000001 000 TCM
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

See overleaf for details of the Offer and
how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Sydney time) Wednesday, 12 November 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept part of your entitlement, all of your entitlement or all of your entitlement and additional shares from the Shortfall Facility. Please enter the number of New Shares you wish to apply for, any Additional Shares you wish to apply for (if any) from the Shortfall Facility and the amount of payment for those shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 22 October 2014.

Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "TCM Offer" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →


Entitlement and Acceptance Form with Additional Shares

X 9999999991

I ND

STEP 1**Registration Name & Offer Details**

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
28 October 2014:

4,000

Entitlement to New Shares
on a 1 for 1 basis:

1

Amount payable on full acceptance
at 0.01 per New Share:

\$0.01

STEP 2**Make Your Payment****Pay by Mail:**

Make your cheque, bank draft or money order payable to "TCM Offer" and cross
"Not Negotiable".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance

If you are paying by cheque, bank draft or money order the payment slip below must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5:00pm (Sydney time) Wednesday, 12 November 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Tiaro Coal Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Tiaro Coal Limited Acceptance Payment Details

Entitlement taken up:

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Number of additional shares applied
for under the Shortfall Facility:

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Amount enclosed at 0.01 per
New Share:

A\$

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Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (Sydney time) Wednesday, 12 November 2014

Contact Details

Contact

Name

Daytime

Telephone

Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

				A\$
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123456789123456789+0000000001-3051+14