



22 October 2014

Ms Stephanie So  
Senior Adviser, Listings Compliance (Sydney)  
ASX Compliance Pty Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Ms So

I refer to your letter dated 21 October 2014 querying the change in Cockatoo Coal Limited's ('the Entity') share price from a close of \$0.018 on 17 October 2014 to a low of \$0.012 during the day of your letter together with an increase in the volume of securities traded and provide the following response:

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

**No.**

2. If the answer to question 1 is 'yes':

- a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is 'yes', you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is 'no', you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

**N/A.**

3. If the answer to question 1 is 'no', is there any other explanation that the Entity may have for the recent trading in its securities?

There has been significant negative news surrounding the coal sector in general, and junior coal companies in particular, which may be impacting the share price, including:

- Sustained low coal market prices;
- The announcement of the imposition of coal tariffs on Chinese coal imports;
- Announcements regarding the closure of high cost coal mines in Australia, Canada and the USA;
- The entering into voluntary administration by Bandanna Energy, a fellow Wiggins Island Stage 1 participant; and
- Difficulties experienced by some coal mines in NSW in achieving mining approvals.

However, as announced on 13 October 2014, the Company received shareholder approval at a general meeting to enter into arrangements with its major shareholders, SK Networks and Noble Group, and ANZ, to release up to \$37.0 million of restricted cash. The Company confirms that it has received \$37.0 million of the restricted cash which is being used for working capital and development purposes. Further, the Company continues to manage its cashflow and is also in discussions with various parties regarding the provision of mezzanine finance, the sale of a stake in the Baralaba project, non-core asset divestments, and other innovative infrastructure funding arrangements. The Company is also engaging with its major shareholders, Noble, SK and Harum, as well as its principal bank, ANZ, regarding current funding and ongoing support for the Baralaba project and the timing and availability of cash to achieve the project timeline.

Additionally, and as previously announced, the Environmental Impact Statement (EIS) to further increase coal mining production to 3.5 million tonnes per annum has been deemed adequate by the Department of Environment Heritage Protection in September 2014 and the Company currently remains on track to receive the 3.5 million tonne per annum mining lease at Baralaba North in the second half of the 2015 financial year. Earlier in the year the Company completed the first phase of the Baralaba Expansion project approximately 6% under budget and is now beginning second phase infrastructure works to enable the transportation of 3.5 million tonnes per annum of ULV PCI coal to Gladstone Port. The Company continues to be diligent in optimising and deferring capital expenditure to preserve cash reserves where possible and further substantial capital cost savings are expected to be achieved during these second phase works. The finalisation of the coal haulage and rail infrastructure upgrades is scheduled to occur during the first half of the 2016 financial year to coincide with the gradual ramp up of the Company's take-or-pay obligations at the new Wiggins Island Coal Export Terminal.



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

**The Entity confirms that it is, to the best of its knowledge and belief, in compliance with the Listing Rules and in particular, Listing Rule 3.1.**

Yours sincerely

Lee J. O'Dwyer  
Company Secretary



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21 October 2014

Lee O'Dwyer  
Company Secretary  
Cockatoo Coal Limited  
Level 4  
10 Eagle Street  
Brisbane QLD 4000

By Email

Dear Lee

**Cockatoo Coal Limited (the "Entity"): ASX price query**

We have noted a change in the price of the Entity's securities from a close of \$0.018 on 17 October 2014 to a low of \$0.012 today. We also note an increase in the trading volume of the Entity's securities over this period.

In light of the price and volume increase, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
  - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by **not later than 9.30 a.m. AEDT Wednesday, 22 October 2014**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

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

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

Your response should be sent to me by a return e-mail or by facsimile to 02 9241 7620. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

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

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

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

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

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

Yours sincerely,

*[Sent electronically without signature]*

Stephanie So  
**Senior Adviser, Listings Compliance (Sydney)**