

Companies Announcements Office
ASX Limited
Exchange Square
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as notionally modified by ASIC Class Order 08/35

On 22 October 2014, Tiaro Coal Limited ABN 86 127 936 412 (ASX code: **TCM**) announced a pro rata non-renounceable rights issue. Shareholders will be entitled to subscribe for one fully paid ordinary share (**New Share**) for every one existing fully paid ordinary share held as at 7.00 pm (Sydney time) on 28 October 2014, with each New Share being issued at an issue price of \$0.01 to raise approximately \$1.3 million (before costs) (**Offer**).

TCM advises that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Class Order 08/35;
- (b) this notice is being given under section 708AA(2)(f) of the *Corporations Act* as notionally modified by ASIC Class Order 08/35;
- (c) as at the date of this notice, TCM has complied with:
 - (i) the provisions of Chapter 2M of the *Corporations Act* as they apply to TCM;
 - (ii) section 674 of the *Corporations Act*;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and (9) of the *Corporations Act*; and
- (e) the effect of the Offer on the control of TCM is set out in the attached Schedule.

Yours faithfully
TIARO COAL LIMITED

A handwritten signature in black ink, appearing to read "Peter Meers".

Peter Meers
Chairman

SCHEDULE

EFFECT OF OFFER ON CONTROL OF TCM

Terms not otherwise defined in this Schedule have the meaning given in the Offer Document lodged contemporaneously with this Cleansing Notice.

The Offer is fully underwritten by Refresh Capital Pty Limited and is fully sub-underwritten by a number of shareholders.

The table below sets out the maximum sub-underwriting commitments of ACEA Resources Pte. Ltd. (**ACEA**), Bright Rock Holdings Limited (**Bright Rock**) and Meers Family Pty Limited ACN 153 713 136 as trustee for the Meers Superannuation Fund (**Meers Superannuation**) and illustrates the maximum potential increase in their shareholdings as a consequence of fully sub-underwriting the Offer:

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

* 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.