

19 December 2014

ASX Announcement

Strategic Alliance Extended: Formal Operational Review Commenced

Guildford Coal Limited (**Guildford** or the **Company**) (ASX: GUF) is pleased to confirm its strategic supporters, Noble Group (**Noble**) and Orchard Capital Partners (**OCP**), have agreed to participate in and support a strategic review of the Company's operations both in Mongolia and Australia. This will involve a ground up review of Guildford's projects and as part of this process the finance facilities between the parties have been extended to allow the review to proceed in full with the interests of all stakeholders in mind. Formal documentation for the extension and structure of the facilities is currently under negotiation and will be completed by 31 December 2014.

As part of this process, Noble and OCP have also agreed to provide additional working capital of approximately A\$12m which paves the way for the Company to ramp up production at the BNU Mine in Mongolia over the next 8 weeks (which coincides with winter demand in Northern China). This production is in accordance with previously announced production targets.

The non-executive members of the Board will be undertaking the strategic review of Guildford, its operations, assets and management, in conjunction with Noble and OCP. This is expected to be finalised by the end of February 2015. The outcomes of the strategic review will be announced once complete.

The Board are confident the outcomes of the review will place Guildford in a strong position to develop its Mongolian assets during 2015 and over the next 5 years. The Company's priority was always first coal from Mongolia by 2015 and this commitment has been achieved.

The Board and management will be working to ramp up production in order to deliver value to our shareholders. We will be keeping shareholders fully informed of progress at our Mongolian BNU Mine.

For further information please contact Tony Mooney on +61 7 3005 1533.



Aimee Hyde
Company Secretary