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Fax

**Form 603: Notice of initial substantial holder in Cockatoo Coal
Limited ACN 112 682 158**

From Rebecca Maslen-Stannage 19 February 2015
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rebecca.maslen-stannage@hsf.com
Pages 83 (Including cover sheet)

To ASX Market Announcements Office
ASX Limited
Phone 1800 021 965
Fax 1300 135 638

Copy Company Secretary
Cockatoo Coal Limited ACN 112 682 158
Phone +61 7 3640 4742
Fax +61 7 3640 4799

Please see attached.

Herbert Smith Freehills LLP and its subsidiaries and Herbert Smith Freehills, an Australian Partnership ABN 98 773 882 649, are separate member firms of the international legal practice known as Herbert Smith Freehills.

If you are not the intended recipient:

- please phone the sender immediately (reverse charges)
- you must not disclose or use the information

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Cockatoo Coal Limited

ACN/ARSN ACN 112 882 158

1. Details of substantial holder (1)

Name Liberty Mutual Holding Company Inc. and each entity listed in Annexure A

ACN/ARSN (if applicable) NA

The holder became a substantial holder on 18/02/2015

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	19,812,660,736	19,812,660,736	42.76% (based on 41,769,518,877 ordinary shares on issue immediately after issue of institutional component of entitlement offer)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Liberty Metals & Mining Holdings, LLC	Relevant interest under section 608(1)(a) of the Corporations Act 2001 (Cth) (Corporations Act) as a result of shares acquired pursuant to Liberty Metals & Mining Holdings' sub-underwriting commitment under the Sub-underwriting Agreement set out in Annexure B as part of the institutional component of the fully underwritten accelerated renounceable entitlement offer announced on 6 February 2014.	19,812,660,736 ordinary shares
Liberty Mutual Holding Company Inc.	Relevant interest under section 608(3)(b) of the Corporations Act pursuant to Liberty Metals & Mining Holdings' acquisition detailed above.	19,812,660,736 ordinary shares
LMHC Massachusetts Holding Inc	Relevant interest under section 608(3)(b) of the Corporations Act pursuant to Liberty Metals & Mining Holdings' acquisition detailed above.	19,812,660,736 ordinary shares
Liberty Mutual Group Inc.	Relevant interest under section 608(3)(b) of the Corporations Act pursuant to Liberty Metals & Mining Holdings' acquisition detailed above.	19,812,660,736 ordinary shares
Liberty Mutual Insurance Company	Relevant interest under section 608(3)(b) of the Corporations Act pursuant to Liberty Metals & Mining Holdings' acquisition detailed above.	19,812,660,736 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Each person named in section 3	Liberty Metals & Mining Holdings, LLC	Liberty Metals & Mining Holdings, LLC	19,812,660,736 ordinary shares

5. Consideration

37873488

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (B)	Class and number of securities
Liberty Metals & Mining Holdings, LLC	18 February 2015	\$39,825,121.47	19,812,580,736 ordinary shares
Each other person named in section 3	18 February 2015	None – deemed relevant interest	19,812,580,736 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

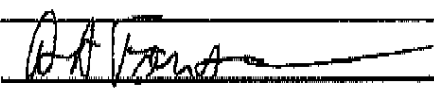
Name and ACN/ARSN (if applicable)	Nature of association
Each entity listed in Annexure A	Each entity listed in Annexure A is an associate pursuant to s12(2)(a) of the Corporations Act by virtue of being a body corporate that Liberty Mutual Holding Company Inc. controls.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Liberty Metals & Mining Holdings, LLC	175 Berkeley Street, Boston, Massachusetts 02118, United States of America
Liberty Mutual Holding Company Inc.	175 Berkeley Street, Boston, Massachusetts 02118, United States of America
LMHC Massachusetts Holding Inc	175 Berkeley Street, Boston, Massachusetts 02118, United States of America
Liberty Mutual Group Inc.	175 Berkeley Street, Boston, Massachusetts 02118, United States of America
Liberty Mutual Insurance Company	175 Berkeley Street, Boston, Massachusetts 02118, United States of America

Signature

print name	A. Alexander Fontanes	capacity	Executive Vice President and Chief Investment Officer
sign here		date	18/02/2015

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (a) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A to Form 603

This is Annexure A of 9 pages referred to in the Form 603 Notice of Initial Substantial Holder prepared by Liberty Mutual Holding Company Inc.

Signed by me and dated 18 February 2015

Sign Here:



Name: A. Alexander Fontanes

Position: Executive Vice President and Chief Investment Officer

AMBCO Capital Corporation

America First Insurance Company

America First Lloyd's Insurance Company

American Economy Insurance Company

American Fire and Casualty Company

American States Insurance Company

American States Insurance Company of Texas

American States Lloyds Insurance Company

American States Preferred Insurance Company

Arlington Insurance Company Ltd.

Avomark Insurance Agency, LLC

BARCO Assignments Ltd.

Barrier Ridge LLC

Berkeley Holding Company Associates, Inc.

Berkeley Management Corporation

Berkeley/Columbus II LLC

Berkeley/Columbus III LLC

Berkeley/Columbus Real Estate LLC

Berkeley/St. James II LLC

Berkeley/St. James Real Estate LLC

Brooke Drilling, LLC

Camcor Oil Sands Fund 2, L.P.

Capitol Court Corporation

Colorado Casualty Insurance Company

Consolidated Insurance Company
Copley Venture Capital, Inc.
Diversified Settlements, Inc.
Emerald City Insurance Agency, Inc.
Employers Insurance Company of Wausau
Excelsior Insurance Company
F.B. Beattie & Co., Inc.
First National Insurance Company of America
First State Agency, Inc.
Fundacion Seguros Caracas
General America Corporation
General America Corporation of Texas
General Insurance Company of America
Georgia Tax Credit Fund-LM, L.P.
Golden Eagle Insurance Corporation
Gulf States AIF, Inc.
Hawkeye-Security Insurance Company
Helmsman Insurance Agency LLC
Helmsman Management Services LLC
Hughes Insurance Services Limited
Indiana Insurance Company
Indiana Seguros S/A
Insurance Company of Illinois
Inversiones 3461, C.A.
Inversiones 6757, C.A.
Inversora Centro Comercial, C.A.
Inversora Segucar Financiadora de Primas, C.A.
Kellen Holdings, LLC
Kellen-Wildcat Holdings, LLC
Keter Consulting LLC
Khoom Khao Insurance Public Company Limited

Kritaya Tun Company Limited
La Libertad Compania de Inversiones y Servicios S.A.S.
LEXCO Limited
LI (Colombia) Holdings Ltd.
Liberty Assignment Corporation
Liberty Brasil Investimentos e Participacoes Ltda.
Liberty China LLC
Liberty Citystate Holdings Pte Ltd
Liberty Compania de Seguros Generales S.A.
Liberty Contractors Retro Group
Liberty Corporate Capital Limited
Liberty Corporate Services LLC
Liberty County Mutual Insurance Company
Liberty Energy Canada, Inc.
Liberty Energy Holdings, LLC
Liberty Energy, LLC
Liberty Financial Services, Inc.
Liberty Hospitality Group, Inc.
Liberty Information Technology Limited
Liberty Insurance Company Limited
Liberty Insurance Corporation
Liberty Insurance Holdings, Inc.
Liberty Insurance Limited
Liberty Insurance (Open Joint Stock Company)
Liberty Insurance Pte Ltd
Liberty Insurance Underwriters Inc.
Liberty International Amsterdam Holdings C.V.
Liberty International Asia IT Pte. Ltd.
Liberty International Asia Pacific Holdings LLC
Liberty International Brasil Ltda
Liberty International Chile S.A.

Liberty International Europe Inc.
Liberty International Europe IT Spółka z ograniczoną odpowiedzialnością
Liberty International European Holdings B.V.
Liberty International European Holdings Cooperatieve U.A.
Liberty International Holdings Inc.
Liberty International Holdings LLC
Liberty International Insurance Limited
Liberty International Latin America Holdings, LLC
Liberty International Latin America IT LLC
Liberty International Netherlands Holdings C.V.
Liberty International Netherlands V.O.F.
Liberty International Underwriting Services Limited
Liberty International US Dutch Een LLC
Liberty International US European Holdings LLC
Liberty International US Netherlands LLC
Liberty Life Assurance Company of Boston
Liberty Life Holdings Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Management Services, Inc.
Liberty Managing Agency Limited
Liberty Metals & Mining Canadian Coal Royalties Ltd.
Liberty Metals & Mining Canadian Genesco Royalties Ltd.
Liberty Metals & Mining Canadian Royalties Ltd.
Liberty Metals & Mining GPC Canadian Royalty Holdings Ltd.
Liberty Metals & Mining Holdings, LLC
Liberty Mexico Holdings Inc.
Liberty Mexico Holdings S.A. de C.V.
Liberty Mutual Agency Corporation
Liberty Mutual Auto and Home Services LLC
Liberty Mutual Captive Holdings LLC
Liberty Mutual Club
Liberty Mutual Equity LLC

Liberty Mutual Fire Insurance Company
Liberty Mutual Foundation Inc.
Liberty Mutual Group Asset Management Inc.
Liberty Mutual Group Inc.
Liberty Mutual Holding Company Inc.
Liberty Mutual Holdings (Bermuda) Ltd
Liberty Mutual Insurance Company
Liberty Mutual Insurance Company - Escritorio De Representacao No Brasil Ltda.
Liberty Mutual Insurance Company - PAC
Liberty Mutual Insurance Europe Limited
Liberty Mutual Investment Advisors LLC
Liberty Mutual Investment Holdings Inc.
Liberty Mutual Ireland Investment Holdings Limited
Liberty Mutual Managed Care LLC
Liberty Mutual Management (Bermuda) Ltd
Liberty Mutual Management (Cayman) Ltd.
Liberty Mutual Management (South Carolina) LLC
Liberty Mutual Management (Vermont) LLC
Liberty Mutual Mexico LLC
Liberty Mutual Mid-Atlantic Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Mutual Retirement Plan Master Trust
Liberty Mutual Scholarship Foundation
Liberty Mutual Tactical Opportunities LLC
Liberty Northwest Insurance Corporation
Liberty Parkwood Crossing LLC
Liberty Personal Insurance Company
Liberty Re (Bermuda) Limited
Liberty Real Estate Holdings LLC
Liberty Risk Services de Venezuela, S.A.
Liberty Seguros de Vida S.A.
Liberty Seguros S.A.

Liberty Seguros S/A
Liberty Seguros, Compania de Seguros y Reaseguros, S.A.
Liberty Seguros, S.A.
Liberty Sigorta Anonim Sirketi
Liberty Spain Insurance Group LLC
Liberty Specialty Markets Limited
Liberty Sponsored Insurance (Vermont), Inc.
Liberty Structured Holdings LLC
Liberty Surety México, S. de R.L. de C.V.
Liberty Surplus Insurance Corporation
Liberty Syndicate Services Limited
Liberty UK and Europe Holdings Limited
Liberty Videocon General Insurance Company Limited
Liberty/Hoffman Estates LLC
Liberty/Kent LLC
Liberty/Milwaukee LLC
Liberty/Warrenville LLC
Liberty-USA Corporation
LIH-RE of America Corporation
LILA (Colombia) Holdings Ltd.
LIU Specialty Insurance Agency Inc.
LLIC S.a. r.l.
LM General Insurance Company
LM Insurance Corporation
LM Property and Casualty Insurance Company
LMG Film Productions, LLC
LMG Holland C.V.
LMG Holland LLC
LMG Insurance Public Company Limited
LMHC Massachusetts Holdings Inc.
Mid-American Fire & Casualty Company

Montgomery Mutual Insurance Company
National Insurance Association
North Pacific Insurance Company
Ocasco Budget, Inc.
OCI Printing, Inc.
Ohio Casualty Corporation
Ohio Security Insurance Company
Open Seas Solutions, Inc.
Oregon Automobile Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Pilot Insurance Services, Inc.
Primero Fianzas S.A. de C.V.
Raymond James LM Georgia Tax Credit Fund L.L.C.
Raymond James LM Massachusetts Tax Credit Fund L.L.C.
RBC State Credit Fund LLC
Reaseguradora Caracas, S.A.
Rianoc Research Corporation
RJTCF-37 Georgia Tax Credit Fund L.L.C.
RJTCF-38 Georgia Tax Credit Fund L.L.C.
S. C. Bellevue, Inc.
SAFECARR Company, Inc.
Safeco Corporation
Safeco General Agency, Inc.
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Properties, Inc.
Safeco Surplus Lines Insurance Company

San Diego Insurance Company
SCIT, Inc.
Seguros Caracas de Liberty Mutual, C.A.
Seker Hayat Sigorta Anonim Sirked
Servicios Valores Operativos Monterrey, S.A. de C.V.
Servihogar Gestion 24 Horas, S.L.
St. James Insurance Company Ltd.
St. James/Arlington LLC
St. James/Arlington Management LLC
St. James/Arlington Real Estate Limited Partnership
Tara Energy Investments, LLC
The First Liberty Insurance Corporation
The Midwestern Indemnity Company
The National Corporation
The Netherlands Insurance Company
The Ohio Casualty Insurance Company
The Stuart Insurance Group, Ltd.
Tun Kaoklai Co., Ltd.
Twee US Dutch LLC
UniAsia General Insurance Berhad
Vermilion Cliffs Partners, LLC
Vision Employment Health and Safety Limited
Vision Risk Management Limited
Wausau Business Insurance Company
Wausau General Insurance Company
Wausau Insurance Company (U.K.) Limited
Wausau Signature Agency LLC
Wausau Underwriters Insurance Company
West American Insurance Company
Wildcat Field Services, LLC
Wildcat Midstream Holdings II LLC

Winmar Company, Inc.

Winmar of the Desert, Inc.


Winmar Oregon, Inc.

Winmar-Metro, Inc.

Annexure B to Form 603

This is Annexure B of 12 pages referred to in the Form 603 Notice of Initial Substantial Holder prepared by Liberty Mutual Holding Company Inc.

Signed by me and dated 18 February 2015

Sign Here: 
Name: A. Alexander Fontanes
Position: Executive Vice President and Chief Investment Officer



Private and Confidential

4 February 2015

Liberty Metals & Mining Holdings, LLC
ATTN: Damon Barber,
Damon.Barber@lmi.com

Via email - 11 pages

URGENT
EMAIL ACCEPTANCE REQUIRED BY 7.00AM
(SYDNEY TIME), THURSDAY 6 FEBRUARY 2015

Dear Investor

SUB-UNDERWRITING LETTER ("LETTER") IN RELATION TO THE OFFER SET OUT BELOW

1 Transaction Details

Details of the proposed Transaction are set out below:

Offeror (entity offering the Securities for issue)	Cockatoo Coal Limited
Offer Structure	Pro-rata accelerated renounceable entitlement offer ("Entitlement Offer") to raise approximately \$125 million comprising: <ul style="list-style-type: none"> - the institutional component of the Entitlement Offer ("Institutional Entitlement Offer"); and - the retail component of the Entitlement Offer ("Retail Entitlement Offer").
Information Materials	As specified in paragraphs (a) – (f) in the definition of "Information Materials" in section 2.1 of the Master ECM Terms (defined below)
Securities	Fully paid ordinary shares
Price	A\$0.002 per Security
Entitlement	13.7 new Securities for every 1 existing Security held at the Record Date, being 7.00pm (Sydney time) on the date indicated in the Timetable



Lead Manager	BBY Limited
Lead Manager Agreement	The agreement between the Offeror and the Lead Manager, dated on or about 30 January 2015
Institutional Settlement Date	10.00am (Sydney time), on the date indicated in the Timetable
Retail Settlement Date	10:00am (Sydney time), on the date indicated in the Timetable
Settlement Agent	Lead Manager
Offering jurisdictions	Australia, New Zealand, Singapore, Hong Kong, Indonesia, Korea, United Kingdom, European Economic Area (Belgium, Denmark, Germany, Luxembourg and Netherlands), Switzerland and the United States.
US Exemption	Section 4(a)(2) to the U.S. Securities Act 1933, as amended Regulation S, Category 1 (including Eligible U.S. Fund Managers)

Note:

The offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Securities may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, any U.S. Person without registration under the U.S. Securities Act (which You acknowledge none of the Offeror and the Lead Manager has any obligation to do or to procure) or unless the Securities are offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the securities laws of any state or any other jurisdiction in the United States.

2 Key documents

A timetable for the Transaction is set out in Attachment 1.

You have been provided with a copy of the Information Materials described above.

A copy of the Master ECM Terms dated 29 July 2014 (the "Master ECM Terms") is available on the AFMA website at <http://www.afma.com.au/standards/documentation.html>. The Master ECM Terms



apply to this Letter and terms defined in the Master ECM Terms have the same meanings in this Letter as if a reference to:

- "Confirmation" were a reference to this Letter;
- "Allocation" were a reference to the "Shortfall Securities", as defined below; and
- "these Terms" includes the terms and conditions set out in this Letter.

3 Allocation of Sub-Underwriting

The Lead Manager is pleased to confirm that you have been allocated the following sub-underwriting commitment on and subject to the terms of this Agreement in relation to the Securities ("Sub-underwritten Securities") offered under the Entitlement Offer:

Price (per Security)	Number of Sub-Underwritten Securities	Total Amount
A\$0.002	30,215,205,353 ¹	\$60,430,410.77

4 Sub-Underwriting Obligation

As sub-underwriter, You irrevocably agree to apply for, and pay the Price for, up to the number of Sub-underwritten Securities in accordance with the Timetable (subject to the below). Except as specifically described as "in relief" in this document, this commitment is separate from any other application to acquire Securities You may make (including taking up any entitlement as holder of Securities or as an institutional investor) and those other applications will not reduce the number of Sub-underwritten Securities You may be required to apply for. References (if any) to "in relief" in this document mean in relief on a 1 for 1 basis.

You will be advised in accordance with the Timetable of the final number of Sub-underwritten Securities for which You are required to apply ("Shortfall Securities"). You may be required to subscribe for Shortfall Securities in respect of the Institutional Entitlement Offer and/or Retail Entitlement Offer provided that the number of Shortfall Securities will never be greater than the number of Sub-Underwritten Securities specified in Section 3.

If there are Shortfall Securities under the Institutional Entitlement Offer and/or Retail Entitlement Offer, you will be sent a Confirmation for the number of Shortfall Securities you are required to apply for ("Shortfall Confirmation") and the Master ECM Terms will apply to Your acquisition(s) of Shortfall Securities as if a reference to:

- the "Confirmation" were a reference to the "Shortfall Confirmation"; and



"Allocation" were a reference to the "Shortfall Securities".

Your Shortfall Securities will be calculated by the Lead Manager as follows:

- You will be allocated, and must subscribe for, Securities as Shortfall Securities in priority to all other sub-underwriting allocations under the Entitlement Offer until You have been allocated and obliged to subscribe for 15,520,394,154 Securities.

To avoid doubt, allocations (if any) in respect of entitlements under the Institutional Entitlement Offer to other sub-underwriters who are shareholders in the Company (including where "in relief" of sub-underwriting obligations) will have priority to Your allocations above.

- If:

the above 15,520,394,154 Securities is allocated in full;

Securities have been allocated in full to Harum Energy Australia Limited under a sub-underwriting agreement with us (or under the Institutional Entitlement Offer "in relief" of such sub-underwriting obligations) representing approximately 5% of the Entitlement Offer; and

- there remain Securities to be allocated to sub-underwriters,

You will be allocated, and must subscribe for, Securities as Shortfall Securities (up to, when aggregated with the Securities allocated above, the maximum number of Sub-Underwritten Securities referred to above) such that the proportion of Securities You will hold immediately following completion of the Offer will represent the proportion of Securities Maylon Pty Ltd (Noble) then holds.

For example, if Securities are being allocated to Noble under sub-underwriting agreements with the Lead Manager (which will thereby increase Noble's proportion) you will be allocated, and must subscribe for, such number of Securities to ensure that the proportion of Securities you hold immediately following completion of the Offer will represent the proportion of Securities Noble then holds.

Please note that valid applications in respect of Entitlements taken up by shareholders, and bids by investors at or above the clearing price in a bookbuild in relation to the Offer, including applications "in relief" of sub-underwriting obligations, take priority over any sub-underwriting allocations.

However, subject to compliance with applicable laws, the Lead Manager may accept a valid bid from you in a bookbuild in relation to the Offer and, in such case, any such Securities allocated and subscribed for by you will be "in relief" of your sub-underwriting obligations under this letter and reduce the number of Sub-Underwritten Securities accordingly.

The Lead Manager agrees that if you make such a bid at a price which is, or is higher than, the clearing price of a bookbuild the Lead Manager will accept that bid from "in relief" of your sub-underwriting obligations to the extent that the issue of the Securities the subject of the bid does not result in you then holding more than 10.9% of the Securities.



Your rights and obligations as sub-underwriter are not capable of transfer, assignment or novation or being otherwise dealt with except with the prior written agreement of the Lead Manager.

5 Shortfall Securities conditional

Any issue or transfer of Shortfall Securities to You is subject to completion of the Institutional Entitlement Offer (for Shortfall Securities to be subscribed for in respect of the Institutional Entitlement Offer) and Institutional Entitlement Offer and Retail Entitlement Offer (for Shortfall Securities to be subscribed for in respect of the Retail Entitlement Offer).

You will continue to be bound to acquire Your Shortfall Securities unless the Lead Manager validly exercises its right of termination under the Lead Manager Agreement. If the Lead Manager validly exercises its right to terminate (or You exercise a valid right of termination), Your rights and obligations under this sub-underwriting agreement and the Terms to acquire Your Shortfall Securities will terminate without cost or liability to the Lead Manager.

You may terminate this agreement (for no cost or liability whatsoever) if a settlement date referred to in the Timetable is delayed for 20 business days or more.

If You fail to meet any obligation to acquire, and pay the Price for, each Shortfall Security when due, the Lead Manager may without notice to You apply (or procure that a third party applies) for those Securities. In addition to any other obligations under this sub-underwriting agreement, You indemnify the Lead Manager for any cost or loss associated with the Lead Manager doing so (including any loss on re-sale of those Securities within six months of application).

You authorise the Lead Manager, the Offeror, and its respective Affiliates to undertake all necessary actions (including without limitation signing all documents) in your name as your attorney to ensure settlement of Your Shortfall Securities is successfully effected, such authorisation to expire on the completion of the issue or transfer (as applicable) of the Shortfall Securities.

6 Sub-Underwriting Fees

The Lead Manager will not pay you any fee under this agreement or any other agreement.

7 Acknowledgements

The General Acknowledgements and the following Additional Acknowledgements apply:

- (On-Sale of Securities); and
- (Purpose of Offer)

8 Warranties

The General Warranties and the following Additional Warranties apply:

Nil

9 Undertakings

The General Undertakings and the following Additional Undertakings apply:

, 80 Margaret St, Sydney, NSW 2000
229 0086 | bby.com.au | enquiries@bby.com.au



NII

10 Foreign Jurisdiction Representations

The General Foreign Jurisdiction Representations in Section 1 of Schedule 4 under the heading "General Foreign Jurisdiction Representations" apply and the following Additional Foreign Jurisdiction Representations apply:

- (a) If You are located in the following foreign jurisdictions:
 - * Singapore, Hong Kong, Indonesia, Korea, United Kingdom, European Economic Area (Belgium, Denmark, Germany, Luxembourg and Netherlands) or Switzerland

the relevant Representations in Section 3A of Schedule 4 under the heading "Additional Foreign Jurisdiction Representations – Jurisdictions other than the United States" apply; and
- (b) If You are located in the United States, the Representations in Section 3 of Schedule 4 under the heading "U.S. Offer – Regulation D/Section 4(2)" and in Section 4 of Schedule 4 under the heading "PFIC – Investor own investigation of issuer's PFIC status" apply.
- (c) If You are located outside the United States, the Representations in Section 2 of Schedule 4 under the heading "Regulation S Offer – Category 1 – Including Eligible U.S. Fund Managers" apply.

11 Variation

Clauses 3, 4 and 6 do not become binding on the parties and have no force or effect, and any issue or transfer of Shortfall Securities to You cannot occur unless the following condition has either been satisfied, or waived by written agreement of the parties: on or before 10am on the First Settlement Date, the Issuer has been notified that the Treasurer of the Commonwealth of Australia has either:

- (a) provided written notice to Liberty which is unconditional that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investment policy to Liberty committing to subscribing for Sub-underwritten Securities; or
- (b) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1974 (Cth) in relation to the potential subscription for Sub-underwritten Securities.

Conditions

Your obligations under this Letter are conditional on

- (a) the Lead Manager having entered into an underwriting agreement to fully underwrite the Offer with the Offeror and that underwriting agreement remains in effect when you are obliged to subscribe for Shortfall Securities; and
- (b) the Lead Manager having entered into legally binding sub-underwriting agreements with respect to 100% of the Securities to be issued under the Offer.

**12 How to accept**

To confirm your irrevocable acceptance of Your sub-underwriting commitment you must sign and return Annexure A of this Letter by 7.00 am (Sydney time) on Thursday 5 February 2015 to the Lead Manager (to the attention of the person and to the relevant email address or fax number indicated below):

BBY Limited
Attention: Tim Wilson
Email: tw@bby.com.au

Yours faithfully,

Glenn Rosewall
Executive Chairman
BBY Limited

Acceptance by Sub-Underwriter

ANNEXURE A
ACCEPTANCE FORM – COCKATOO COAL LIMITED

To: BBY Limited
Email: taw@bbv.com.au
Attention: Tim Wilson

TO BE EMAILED TO THE LEAD MANAGER BY 7.00AM (SYDNEY TIME), THURSDAY 5 FEBRUARY 2015

We refer to the letter from the Lead Manager dated 4 February 2015 ("Letter") and confirm (for the benefit of Offeror, the Lead Manager and each of their respective Affiliates):

- our irrevocable agreement to apply for, and pay the Price for, up to the number of Sub-underwritten Securities in accordance with the Letter;
- we have read and understood the Letter and the Master ECM Terms dated 29 July 2014 available on the AFMA website at: <http://www.afma.com.au/standards/documentation.html> as applied by and incorporated by reference into this Letter to the extent not inconsistent with the express terms of this letter (together the "Terms") and agree to be bound by the Terms, including without limitation the Acknowledgments, Warranties, Undertakings and Foreign Jurisdiction Representations as applied by and incorporated by reference into the Letter, any selling restrictions in the Information Materials and any transfer restrictions in the Letter. We confirm that by acquiring the Shortfall Securities, we will be deemed to have represented, warranted and agreed as to the matters covered by the Terms that apply and are incorporated by reference in the Letter, and as to any additional representation, warranty and agreement set out in the Letter. In particular, we confirm (for the benefit of the Offeror, the Lead Manager and each of their respective Affiliates) that (A) if we are in the United States, we are a "qualified institutional buyer", as defined in Rule 144A under the U.S. Securities Act, or (B) if we are outside the United States, we are purchasing the Securities in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act; and
- we understand our settlement obligations.

We agree that this commitment is to subscribe for the following, on and subject to the terms of this letter:

Offer	Number of Sub-underwritten Securities	Total Amount
Agreed sub-underwriting participation in the Offer	30,215,203,383	\$80,430,410.77

Please complete the following details:

Investor (full name): LIBERTY METALS & MINING HOLDINGS, LLC

Contact Name: DAMAN SAABER

Address: 175 BEAKHILL STREET, T223, BOSTON, MA 02116

email: daman.saaber@lmi.com

Phone: 617 457-1636

Details of Authorised Signatory
See following page

Details of Authorised Signatory

date _____

Signed for and on behalf of
**Liberty Metals & Mining
Holdings, LLC**

by

sign here ▶



Officer - Senior Vice President

print name

Damon Barber

date _____

Signed for and on behalf of
**Liberty Metals & Mining
Holdings, LLC**

by

sign here ▶



Officer - Vice President

print name

Stephan Theron

Appendix 1: Timetable

Event	Date	Business Days
Announcement of Entitlement Offer	Before 10am, Thursday, 6 February 2015	0
Copy of Pathfinder Prospectus and Investor Presentation released to ASX along with Appendix 3B	Before 10am, Thursday, 6 February 2015	0
Institutional entitlement offer - open date	Thursday, 6 February 2015	0
Institutional entitlement offer - close date	Monday, 9 February 2015	2
Institutional entitlement offer - bookbuild	Monday, 9 February 2015	2
Announcement of results of institutional offer Reinstatement to official quotation of COX shares	Before 10am, Tuesday, 10 February 2015	3
Record date to identify security holders entitled to participate in the offer	7:00pm (Sydney time) Tuesday, 10 February 2015	3
Notification of Your Shortfall Securities (if any) for the Institutional Offer (if relevant)	Tuesday, 10 February 2015	3
<ul style="list-style-type: none"> Prospectus lodged with ASIC Dispatch of Prospectus and personalised entitlement and acceptance form to eligible retail shareholders Cockatoo Coal to announce that offer documents sent to eligible retail shareholders 	Friday, 13 February 2015	6
Retail offer period opens	Friday, 13 February 2015	6
Cockatoo Coal provides ASX with the following: <ul style="list-style-type: none"> In relation to the securities to be issued under the institutional offer, the issue date and number of securities for which quotation is sought A statement setting out the issued capital of the entity following the issue under the institutional offer an updated Appendix 3B (if required) 	Before noon, Tuesday, 17 February 2015	8
Settlement of institutional entitlement offer (DvP)	Wednesday, 18 February 2015	9
Issue and quotation of securities issued under the institutional offer	Thursday, 19 February 2015	10
Retail offer period closes	Thursday, 26 February 2015	15
Announce indicative results of retail offer (optional)	Friday, 27 February 2015	16
Announce results of retail offer	Friday, 27 February 2015	16
Retail entitlement offer - bookbuild (if required)	Monday, 2 March 2015	17
Notification of Your Shortfall Securities (if any) for the Retail Offer	Wednesday, 4 March 2015	19
Settlement of retail entitlement offer	Tuesday, 10 March 2015	23
Cockatoo Coal provides ASX with the following: <ul style="list-style-type: none"> The issue date and number of securities for which quotation is sought A statement setting out the issued capital of the entity following the issue under the retail offer 	by noon, Wednesday, 11 March 2015	23

Event	Date	Business Days
<ul style="list-style-type: none"> A distribution schedule of the securities, if the issued securities form a new class A statement setting out the names of 20 largest holders of this class of security and the percentage held by each, if the issued securities form a new class <p>Entry, into a certificated subregister or an uncertificated subregister, as applicable, of securities to retail holders no later than this day (ie issue of securities)</p> <p>Entity provides ASX updated Appendix 3B (if required)</p>		
Issue of securities issued under retail offer and bookbuild	Wednesday, 11 March 2015	23
Quotation of securities issued under retail offer and bookbuild – normal trading commences	Thursday, 12 March 2015	24
Holding statements sent to retail holders	Friday, 13 March 2015	25

* If, when 'T' is finally determined, either of the Institutional Settlement Date or Retail Settlement Date occurs on a Monday, such date will be delayed until the Tuesday.

The above timetable is indicative only and may change without consultation with You.

Note: times above are Sydney, Australia time.



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Agreement

Execution version

Project Kangaroo

Subscription agreement

Liberty Metals & Mining Holdings, LLC

Cockatoo Coal Limited



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Subscription agreement

Date ►

Between the parties

Subscriber	Liberty Metals & Mining Holdings, LLC of 175 Berkeley Street, Boston, Massachusetts 02116, United States of America (Subscriber)
-------------------	--

Company	Cockatoo Coal Limited ACN 112 682 158 of Level 4, 10 Eagle Street, Brisbane, Queensland 4000 (Company)
----------------	---

Recitals	The Subscriber has agreed to act as a cornerstone investor in the recapitalisation of the Company, including by allocating funds to sub- underwrite a substantial component of the Offer and entering into this agreement.
-----------------	---

The parties agree as follows:



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1 Definitions and interpretation

1.1 Agreement components

This agreement includes any schedule.

1.2 Underwriting Agreement terms

Unless otherwise specified, capitalised terms in this agreement have the same meaning given to those terms under the Underwriting Agreement.

1.3 Definitions

The meanings of the terms used in this document are set out below.

Term	Meaning
Act	<i>Mineral Resources Act 1989 (Qld).</i>
Affiliate	any other company which is for the time being a Holding Company of that company, a Subsidiary of that company or of any such Holding Company or any other company which is under common Control with that company.
ASIC	the Australian Securities & Investments Commission.
ASX Listing Rules	the official listing rules of the ASX as amended from time to time.
ASX Walver	any waiver of the ASX Listing Rules required to enable the Top-up Securities to be issued in compliance with them.
Authorisation	Includes: <ol style="list-style-type: none"> any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and in relation to anything that a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.
Business Day	a day on which banks are open for business in Boston, New York and Sydney excluding a Saturday, Sunday or public holiday in any of those places.



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1 Definitions and Interpretation

Term	Meaning
Claim	means any action, demand, claim, suit or proceeding.
Company Warranties	the representations and warranties set out in Schedule 3.
Constitution	the constitution of the Company as amended or varied from time to time.
Control	the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that company, whether through the ownership of voting securities in that or any other company, by contract or otherwise.
Cut Off Date	the Second Settlement Date.
Dataroom	the dataroom maintained by the Company that transmits the information provided to the Subscriber, as updated to 3 February 2016.
Duty	any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
Encumbrance	<p>any interest or power:</p> <ol style="list-style-type: none"> 1 reserved in or over any interest in any asset including, but not limited to, any retention of title; or 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, <p>by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to, any agreement to grant or create any of the above.</p>
Equity Proportion	In relation to the Subscriber, its Related Bodies Corporate and its nominees, means a fraction (expressed as a percentage) the numerator of which is the total number of Shares held by the Subscriber and its Related Bodies Corporate or on behalf of the Subscriber or its Related Bodies Corporate by their nominees, and the denominator of which is the total number of Shares (including Shares held by the Subscriber, its Related Bodies Corporate and their nominees) on issue.



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1 Definitions and Interpretation

Term	Meaning
FIRB	the Australian Foreign Investment Review Board.
Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
Group	means the Company and each Subsidiary of the Company (and Group Member means any one or more of them as the context requires).
GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	has the same meaning as in the GST Act.
Holding Company	has the same meaning as in the Corporations Act.
Immediately Available Funds	payment by bank cheque or electronic funds transfer into an account nominated by the Company.
Indemnified Company Parties	the Company, its Affiliates and Related Bodies Corporate, and each of any of their respective directors, officers, employees, agents, advisers of the Company or any of their respective Affiliates and Related Bodies Corporate.
Indemnified Parties	the Subscriber, its Affiliates and Related Bodies Corporate, and each of any of their respective directors, officers, employees, agents, advisers of the Subscriber or any of their respective Affiliates and Related Bodies Corporate.
Issue	has the meaning given to that term in clause 6.
Listing Rules	the official listing rules of the ASX as amended from time to time.
Loss	losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties.



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1 Definitions and Interpretation

Term	Meaning
MLA 80201	mining lease application 80201 to be granted under the Act.
Noble	Noble Group Limited together with its Related Bodies Corporate.
Nominee	any wholly owned subsidiary of the Subscriber nominated by the Subscriber as the purchaser of the Top-up Securities.
Official List	the official list of the ASX as defined in the ASX Listing Rules.
Ongoing Top-up Right	has the meaning given to that term in clause 6.
QIB	means a "qualified institutional buyer" as that term is defined in Rule 144A under the U.S. Securities Act.
Related Bodies Corporate	has the meaning given in section 50 of the Corporations Act.
Security	a fully paid ordinary share in the Company.
Settlement	the settlement of the issue of the Top-up Securities under this agreement.
Share	a fully paid ordinary share in the Company.
Subscribed Securities	means the Sub-underwritten Securities and the Top-up Securities.
Subscriber Warranties	the representations and warranties set out in Schedule 4.
Subscription Amount	The Subscription Price multiplied by the number of Top-up Securities issued under this agreement
Subscription Price	the amount of A\$0.002 for each Top-up Security.



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1 Definitions and Interpretation

Term	Meaning
Subsidiary	has the meaning given to that term in section 9 of the Corporations Act.
Sub-underwriting Agreement	the sub-underwriting agreement between the Underwriter and the Subscriber dated on or about the date of this agreement.
Sub-underwritten Securities	the Securities acquired by the Subscriber in accordance with the Sub-underwriting Agreement.
Tax	any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.
Tax Law	a Law with respect to or imposing any Tax.
Top-up Securities	<p>is the number of Securities calculated as follows:</p> <ol style="list-style-type: none"> 1 zero, if the amount of Sub-underwritten Securities or any other Securities otherwise acquired by the Subscriber or its Affiliates is greater than or equal to 13,344,979,189; or 2 If the amount of Sub-underwritten Securities and the other Securities otherwise acquired by the Subscriber or its Affiliates is less than 13,344,979,189, the number of Securities required to increase Liberty's equity holding in the Company to 19.9% of the share capital of the Company following the issue of such Top-up securities, <p>subject to a cap of 10,069,029,539 or such larger number as is permitted under the ASX Waiver.</p>
Transaction Documents	<p>Each of:</p> <ol style="list-style-type: none"> 1 this agreement; 2 any agreement in connection with the 'Term Sheet – Proposed Baralaba and Wonbindi Project Transition' dated 10 July 2014 as amended and extended and associated with the 2015 sale of shares in Wonbindi Coal Pty Limited and Baralaba Coal Pty Limited by JS Baralaba Wonbindi Pty Ltd to Mayllon Pty Ltd, including the Call Option Deed, Amended Shareholders Agreements, Share split documentation (Wonbindi), Loan Agreement, Security Trust Deed, General Security Deed, Deed of subordination and priority; 3 the letter titled 'Baralaba Wonbindi Option Deed – nominee purchaser under call option deed' dated on or about the date of this agreement from the Company to JS Baralaba Wonbindi Pty Ltd; 4 the Baralaba and Wonbindi Call Option Exercise Deed (Noble)



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1 Definitions and Interpretation

Term	Meaning
	dated on or about the date of this agreement between amongst others, the Company and Mayllon Pty Limited;
5	the call option deed dated on or about the date of this agreement between Mayllon Pty Limited, Cockatui Pty Limited and the Subscriber;
6	the deed of accession dated on or about the date of this agreement between Mayllon Pty Limited, Cockatui Pty Limited and the Subscriber;
7	the variation agreement dated on or about the date of this agreement between Aurizon Operations Limited and the Company, which varies the Rail Transportation Agreement Cockatoo Coal – Baralaba & Wonbindi dated 24 July 2012 between the same parties, as amended from time to time;
8	the mandate letter relating to the Offer dated on or about the date of this agreement from BBY Limited to the Company;
9	the underwriting agreement dated on or about this agreement between the Company and BBY Limited;
10	the warranty deed poll dated on or about the date of this agreement granted by the Company in favour of Mayllon Pty Limited;
11	the warranty deed poll dated on or about the date of this agreement granted by the Company in favour of Harum Energy Australia Limited;
12	the director appointment deed dated on or about the date of this agreement between the Company and Mayllon Pty Limited;
13	the director appointment deed dated on or about the date of this agreement between the Company and Harum Energy Australia Limited; and
14	the off-take agreement dated on or about the date of this agreement between the Company and Noble Resources International Pte Ltd.
Underwriter	BBY Limited ABN 80 006 707 777.
Underwriting Agreement	the underwriting agreement between the Underwriter and the Company dated on or about the date of this agreement.
U.S. Securities Act	means the U.S. Securities Act of 1933.
Warranties	the Company Warranties and the Subscriber Warranties.



1.4 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (e) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a promise on the part of 2 or more persons binds them jointly and severally;
- (k) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (l) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (n) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
 - (1) that ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (o) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.4(o) implies that performance of part of an obligation constitutes performance of the obligation;
- (p) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;



- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to \$ or dollar is to Australian currency;
- (s) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (t) a reference to time is a reference to Sydney time.

1.5 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.6 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

2 Conditions precedent

2.1 Conditions precedent

The obligations of the parties under clauses 3 and 5 are conditional on, and do not become binding unless and until:

- (a) **ASX Waiver:** ASX has granted the ASX Waiver;
- (b) **Offer:** The Offer has not been withdrawn by the Company before the Cut Off Date;
- (c) **Sub-underwriting Agreement:** The Sub-underwriting Agreement has not been terminated; and
- (d) **MLA 80201 and Environmental approval:** it has not become apparent that any of the following will not be granted: MLA 80201, any other authorisation required under the Act in order to conduct the activities contemplated by MLA 80201 or environmental approval with respect to the Baralaba Coal Mine expansion project.

2.2 Reasonable endeavours to satisfy conditions precedent

The parties must use reasonable endeavours to ensure that the condition precedent in clause 2.1(a) is satisfied as expeditiously as possible prior to the First Settlement Date and in any event on or before the Cut Off Date.

2.3 Notice

Each party must promptly notify the others in writing if it becomes aware that any condition in clause 2.1 has not been satisfied or has become incapable of being satisfied.

2.4 Waiver

- (a) The conditions in clause 2.1(a), 2.1(b) and 2.1(c) are for the benefit of the Subscriber and the Company and may not be waived.



- (b) The condition in clause 2.1(d) is for the benefit of the Subscriber and may only be waived by the Subscriber.
- (c) A waiver of a condition:
 - (1) will not be effective unless it is given in writing in relation to a particular condition;
 - (2) may be given unconditionally or on the conditions the party granting the waiver considers fit;
 - (3) will only apply to the obligations in relation to which it is expressed to be given unless the party granting the waiver states otherwise in writing; and
 - (4) will not preclude the party granting the waiver from refusing to waive a particular condition on another occasion or from requiring the Company to satisfy conditions that differ from the conditions applying on a prior occasion.

2.5 Cut Off Date

A party may, before commencement of Settlement by not less than 2 Business Days' notice to the other party, terminate this agreement at any time before Settlement if:

- (a) the conditions in clause 2.1 are not satisfied, or waived in accordance with clause 2.4 by the Cut Off Date; or
- (b) the conditions in clause 2.1 become incapable of satisfaction or the parties agree that any of the conditions in clause 2.1 cannot be satisfied.

2.6 No binding agreement for issue

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Top-up Securities unless and until the conditions in clause 2.1 have been satisfied or waived in accordance with clause 2.4 and no person will obtain rights in relation to those shares as a result of this agreement unless and until those conditions have been satisfied.

3 Subscription and issue

3.1 Exercise of Top-up Shares allocation right

Top-up Securities will only be issued if the number of Top-up Securities is more than zero.

3.2 Top-up Securities

Subject to clauses 2 and 3.1, on the day for Settlement determined under clause 5, the Company must issue, and the Subscriber must subscribe for, the Top-up Securities, for the Subscription Amount.

3.3 Constitution

On issue of the Top-up Securities, the Subscriber agrees to be bound by the Constitution.



3.4 Rights and ranking

All Top-up Securities issued to the Subscriber will:

- (a) be issued under the Prospectus;
- (b) be issued as fully paid;
- (c) be free of Encumbrances; and
- (d) rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the date of Settlement.

4 Company's undertakings

4.1 Restrictions on the Company

The Company will not, prior to Settlement, without the Subscriber's prior written consent not to be unreasonably withheld, and for so long as the Sub-underwriting Agreement has not been terminated:

- (a) other than in the ordinary course of its business dispose of or agree to dispose of any of its right, title or interest in and to any material asset that it may own or to which it may become entitled, which for the avoidance of doubt, does not restrict the sale of any coal by the Company;
- (b) other than in the ordinary course of its business charge or agree to Encumber the whole or any part of its right, title and interest in and to any material asset that it may own or to which it may become entitled, which for the avoidance of doubt, does not restrict the sale of any coal by the Company;
- (c) issue, or agree to issue, any marketable securities in its capital or grant any options or rights to take up by way of subscription, conversion or substitution further shares in its capital, whether the shares rank in preference to, equally with or after the Top-up Securities in respect of any right or interest;
- (d) grant any special voting or other rights that attach to the ordinary issued shares in its capital; or
- (e) carry on any business except a business of a type that is currently being carried on or currently proposed to be carried on by the Company.

Nothing in this clause 4.1 restricts any act, matter or thing, contemplated by the Prospectus.

4.2 Quotation ASX

The Company will apply to ASX for official quotation of the Subscribed Securities as soon as practicable, and in any event within 2 Business Days after Settlement.

4.3 No other benefits

Without the Subscriber's prior written consent, the Company must not, at any time after the execution of this agreement until the Second Issue Date, enter into any agreement, arrangement or understanding with a shareholder owning more than 10% of the Company or its associate under which that shareholder or its associate receives any benefit in a capacity other than as shareholder other than as described in Schedule 5. Nothing in this clause 4.3 restricts the sale of any coal by the Company.



4.4 Certificates

The Company must issue to the Subscriber Certificates the same form as those which are issued to the Underwriter as soon as practicable after the Company issues the Certificates to the Underwriter under clauses 6.1 and 8.4 of the Underwriting Agreement (Subscriber Certificates), with the necessary changes to reflect that:

- (a) the directors (or a director and a secretary) are certifying the matters in the Subscriber Certificate; and
- (b) the Company is issuing the Subscriber Certificate, to the Subscriber and not the Underwriter.

4.5 Proceeds

From the date of this agreement until 90 days after the Second Issue Date, the Company must not, without the prior written approval of the Subscriber, use, commit or propose to use or commit any moneys, proceeds or funds raised in connection with the Offer other than as described in Schedule 7 and in the Dataroom folder entitled "2015 Business Case – 8.0 Sources and Uses Detail".

4.6 Baralaba

While the Subscriber holds at least 15% of the voting power of the Company, the Company will not, and will procure that its Related Bodies Corporate do not, enter into any agreement or arrangement relating to the:

- (a) ownership or external funding of the haul road, railway loop or train load-out facility for the Baralaba mine or Baralaba mine expansion project from the date of this agreement for a period of 2 years; or
- (b) any other material contract related to the Baralaba mine or Baralaba mine expansion project from the date of this agreement until 30 April 2015,

without the prior written approval of the Subscriber, unless the contract value of the agreement or arrangement does not exceed \$2,000,000 or the term of the contract is less than one year.

5 Settlement

5.1 Time and place for Settlement

Settlement of the Issue of the Top-up Securities under this agreement must take place:

- (a) on the same day as the Second Settlement Date; and
- (b) at or before 10.00am.

5.2 Obligations of Company

On or before Settlement, the Company must procure that a meeting of directors of the Company is convened and approves subject to Settlement the Issue of the Top-up Securities to the Subscriber or its Nominee.



5.3 Subscription at Settlement

The Subscriber must:

- (a) (subscription) at Settlement, subscribe for and accept the issue of, or procure that its Nominee subscribes for and accepts the issue of, the Top-up Securities, by means of an application substantially in the form in Schedule 2; and
- (b) (subscription price) at or before Settlement, pay or procure that its Nominee pays, to or at the direction of the Company the Subscription Amount in Immediately Available Funds in a form nominated by the Company.

5.4 Issue at Settlement

At Settlement, the Company must:

- (a) (Share issue) issue or procure the issue of the Top-up Securities to the Subscriber or its Nominee free from any Encumbrance or other third party rights; and
- (b) (Documentation) provide the documentation required by clause 5.5.

5.5 Documents to be delivered by the Company at Settlement

At Settlement the Company must give, at the election of the Subscriber, a CHES holding statement or issuer-sponsored holding statement in respect of the Top-up Securities, together with evidence satisfactory to the Subscriber of the issue of the Top-up Securities and a copy of the certificates given to the Underwriter under clause 6.1 and 8.4 of the Underwriting Agreement.

6 Ongoing Top-up Right

- (a) Subject to clause 6(f) and the receipt from ASX of the waiver of Listing Rule 6.18 contemplated by clause 6(g), from Completion if the Company wishes to issue any ordinary shares or securities which are convertible into ordinary shares (an Issue), subject to the Company receiving any necessary approval or waiver from ASX, the Company must also offer the Subscriber the right to subscribe for the Equity Proportion represented by the Sub-Underwritten Securities plus the Top-up Securities as at the time immediately following Completion (which will be deemed to include all Top-up Securities if they are not issued by that time) of the total number of ordinary shares or securities which are convertible into ordinary shares to be issued pursuant to the Issue (Ongoing Top-up Right).
- (b) Any offer of ordinary shares or securities which are convertible into ordinary shares by the Company under clause 6(a) must, subject to clause 6(c):
 - (1) be on the same terms of issue as provided to all other potential offerees under the Issue and allow the Subscriber to accept for the whole or part of the number of ordinary shares or securities which are convertible into ordinary shares offered;
 - (2) be for consideration that is either of the following:
 - (A) no less favourable to the Subscriber than cash consideration paid by third parties (in the case of issues to third parties for cash consideration); or



- (B) equivalent in value to non-cash consideration given by third parties (in the case of Issues to third parties for non-cash consideration); and
- (3) allow the Subscriber 5 Business Days to accept (in whole or part) or reject the offer.
- (c) Subject to clause 6(d), if the Subscriber accepts the offer in respect of some or all of the ordinary shares or securities which are convertible into ordinary shares offered to it, the Subscriber must pay the agreed subscription amount by the due date for receipt of all other subscription amounts under the Issue, such date to be no earlier than 5 Business Days after the date that the Company notifies the Subscriber of the Issue.
- (d) If the Subscriber requires FIRB approval in order to subscribe for the ordinary shares or securities which are convertible into ordinary shares offered to it, the Subscriber must notify the Company of that requirement as soon as reasonably practicable after receipt of the offer made under clause 6(a), and the date for the agreement to issue becoming unconditional and payment will be deemed to be extended for a period of 60 Business Days.
- (e) If the Subscriber rejects or does not accept in full an offer made to it under clause 6(a), or if the Subscriber requires FIRB approval and does not obtain FIRB approval within the period specified in clause 6(d), then:
 - (1) ordinary shares or securities which are convertible into ordinary shares in respect of which that offer was not accepted can be offered by the Company to such persons as it thinks fit on terms no more favourable than those offered to the Subscriber; and
 - (2) if (except as a result of the Company breaching its obligations under this agreement) the Subscriber's Equity Proportion falls below 5%, the Ongoing Top-up Right will expire and the Company will be under no further obligation to offer ordinary shares or securities to the Subscriber under this clause 6.
- (f) If the strategic relationship between the Company and the Subscriber ceases or changes after the date of this agreement in such a way that it effectively ceases, then the Ongoing Top-up Right will expire and the Company will be under no further obligation to offer ordinary shares or securities to the Subscriber under this clause 6.
- (g) The parties must use all reasonable endeavours to procure that, as soon as practicable after the date of this agreement and in any event prior to any Issue, the Company obtains a waiver from ASX (either unconditionally or on conditions satisfactory to the Company and the Subscriber (acting reasonably)) of Listing Rule 6.18 in respect of the Ongoing Top-up Rights set out in clause 6(a) and the allotment and issue of ordinary shares or securities which are convertible into ordinary shares, pursuant to this clause 6.
- (h) The Company must as soon as practicable after the date of this agreement at its own cost:
 - (1) prepare and lodge with ASX a waiver submission or application required to be given to ASX for the purposes of procuring the waiver referred to in clause 6(g);
 - (2) provide the Subscriber with copies of the waiver submission or application lodged by the Company; and
 - (3) provide information to the Subscriber on the progress of the waiver submission or application as reasonably requested by the Subscriber.



- (i) Each party must otherwise co-operate with, and comply with all reasonable requests of the other party for the purposes of procuring the waiver from ASX of Listing Rule 6.18 in respect of the Ongoing Top-up Rights and must not take any action that will or is likely to hinder or prevent the waiver from being obtained (either unconditionally or on conditions satisfactory to the Company and the Subscriber (acting reasonably)).
- (j) Each party must keep the other party promptly informed of any fact, matter or circumstance of which it becomes aware that may result in the waiver not being obtained (either unconditionally or on conditions satisfactory to the Company and the Subscriber (acting reasonably)).

7 Board representation

7.1 Board appointments

- (a) If the Subscriber or any of its Related Bodies Corporate, as a result of the issue of Sub-underwritten Securities and any Top-up Securities, acquires voting power in the Company of:
 - (1) 9.99% or above, then on and from the Second Settlement Date, for so long as the Subscriber or any of its Related Bodies Corporate has at least that percentage of voting power in the Company, the Subscriber has the right to appoint a nominee to the Company's board of directors, subject to receipt of a written consent to act from that nominee; or
 - (2) 19% or above, then on and from the Second Settlement Date, for so long as the Subscriber or any of its Related Bodies Corporate has at least that percentage of voting power in the Company, the Subscriber has the right to appoint two nominees to the Company's board of directors, subject to receipt of a written consent to act from those nominees,

and the Company must take all steps reasonably required to cause them to be appointed to the board by no later than the Second Settlement Date.
- (b) If the Subscriber has the right to appoint one or more nominees to the Company's board of directors under clause 6.1(a), then the Subscriber also has the right to (and the Company must do all things within its power to, if so requested by the Subscriber) procure the replacement of the Subscriber's nominees on the Company's board of directors at any such time, including by appointing another nominee to replace any of its nominees who are removed or resign from the Company's board of directors at any such time and the Company must do all things within its power to procure that (subject to the director's fiduciary duties) each member of the board recommends in favour of their election or re-election.

7.2 Membership of Technical Committee

The Subscriber is entitled to have one of its nominees appointed to the Technical Committee of the Cockatoo Board which is to be established.



7.3 Election at 2015 annual general meeting

At or before its 2015 annual general meeting, the Company must, in accordance with the ASX Listing Rules, propose the election as directors of the Company of those or other representatives nominated in their place by the Subscriber (at the Subscriber's option), and ensure that (subject to their fiduciary duties) each member of the board recommends in favour of their re-election or election.

7.4 Election at subsequent annual general meetings

At or before each subsequent annual general meeting of the Company, to the extent that the Subscriber or any of its Related Bodies Corporate has, as at 1 July of the year in which the relevant annual general meeting is held, voting power in the Company of:

- (a) 9.99% or above, the Company must, in accordance with the ASX Listing Rules, propose the election as director of the Company, at the Subscriber's option, any one representative elected or re-elected under clause 7.2 or any one other representative nominated by the Subscriber; or
- (b) 19% or above, the Company must, in accordance with the ASX Listing Rules, propose the election as directors of the Company, at the Subscriber's option, any two representatives elected or re-elected under clause 7.2 or any alternative representatives nominated by the Subscriber in their place,

and the Company must (subject to their fiduciary duties) do all things in its power to procure that each member of the board recommends in favour of their re-election or election.

7.5 Reductions

A reduction in the legal or beneficial holding of Securities or voting power of the Subscriber or its Related Bodies Corporate will be disregarded for the purposes of clause 7.1 where the reduction arises as a result of an issuance of Securities or other securities of the Company pursuant to an issuance which is not a pro rata issue (having the meaning given in the ASX Listing Rules) or a pro rata issue pursuant to the ASX Listing Rules which is underwritten or similar, unless the Subscriber was offered but declined to participate in that issue before the issue was made and provided that the offer was made on the Prescribed Terms. An offer will be made on the Prescribed Terms if the offer:

- (a) is on the same terms of issue as provided to all other potential offerees under the offer;
- (b) is for consideration that is either of the following:
 - (1) no less favourable to the Subscriber than cash consideration paid by third parties (in the case of offers to third parties for cash consideration); or
 - (2) equivalent in value to non-cash consideration given by third parties (in the case of offers to third parties for non-cash consideration); and
- (c) allows the Subscriber 5 Business Days to accept or reject the offer (provided that if the Subscriber requires FIRB approval in order to accept the offer, the Subscriber must notify the Company of that requirement as soon as reasonably practicable after receipt of the offer, and the date for the issuance becoming unconditional and payment will be deemed to be extended for a period of 60 Business Days).



8 Warranties

8.1 Company Warranties

The Company gives the Company Warranties to and for the benefit of the Subscriber in connection with the Subscriber's investments as Sub-underwriter and under this agreement.

8.2 Subscriber Warranties

The Subscriber gives the Subscriber Warranties to and for the benefit of the Company.

8.3 Repetition of warranties

The Warranties given by the Company and the Subscriber are given:

- (a) In respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) In respect of each other Warranty, on the date of this agreement and immediately before Settlement.

8.4 Qualifications

- (a) The Company is not liable under a Claim to the extent a matter constitutes a breach of Company Warranty:
 - (1) has been fairly disclosed to the Subscriber or a representative of the Subscriber, to ASX before the date of this agreement or in the Prospectus; or
 - (2) is already known to the Subscriber.
- (b) The Company's maximum aggregate liability under or in connection with this agreement to the Company and the Indemnified Company Parties is the total amount paid by the Subscriber in connection with the Offer, including any amounts paid for the shortfall securities under the Sub-underwriting Agreement and any securities allocated and subscribed for in a bookbuild in relation to the Offer in addition to the Subscription Amount.

8.5 Survival

The Warranties survive the execution and Settlement of this agreement.

8.6 Reliance

- (a) The Company acknowledges that the Subscriber enters into this agreement in reliance on each Company Warranty.
- (b) The Subscriber acknowledges that the Company enters into this agreement in reliance on each of Subscriber Warranty.



8.7 Independent Warranties

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

8.8 Investigation

All powers of the Subscriber in connection with the Warranties may be enforced or made whether or not, before entry into this agreement, the Subscriber knew or could have discovered (whether by any investigation made by or on behalf of the Subscriber into the affairs of the Company or otherwise) that any Warranty has not been complied with or is otherwise untrue, incorrect or misleading. The Subscriber warrants that on the date of this agreement and on the date of settlement it is not aware of any breaches of any Warranties except as set out in this agreement.

8.9 Future events

The Company must immediately give notice to the Subscriber if anything occurs or arises that results or may result in any of the Warranties being unfulfilled, untrue, incorrect or misleading at the date the Warranty is expressed to be given.

9 Undertakings

The Company must:

- (a) (notification of breach) notify the Subscriber of:
 - (i) any breach of any representation, warranty or undertaking given by the Company under the Underwriting agreement;
 - (ii) the occurrence of any of the Termination Events; or
 - (iii) the non-satisfaction of any of the Conditions Precedent, or any Condition Precedent becoming incapable of satisfaction,

promptly after it becomes aware of any such matter;
- (b) (no unauthorised variations) not, before the Second Issue Date, vary in any material respect any term of its Constitution or the composition of its board of directors, without the prior consent of the Subscriber to the terms of the variation or alteration (such consent not to be unreasonably withheld or delayed);
- (c) (no breach) not, prior to the Second Issue Date commit, be involved in or acquiesce in any activity:
 - (i) in connection with the Offer which breaches:
 - A. the Corporations Act;
 - B. the Listing Rules;



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9 Undertakings

- C. the Constitution;
 - D. any legally binding requirement, licence condition or agreement or covenant in favour of ASIC, the ASX or any Government Agency;
 - E. any of the Group's debt or financing arrangements; or
 - F. any other applicable law; or
- (ii) not in connection with the Offer which results in a material breach of:
 - A. the Corporations Act;
 - B. the Listing Rules;
 - C. the Constitution;
 - D. any legally binding requirement, licence condition or agreement or covenant in favour of ASIC, the ASX or any Government Agency;
 - E. any of the Group's debt or financing arrangements; or
 - F. any other applicable law;
- (d) (moratorium) not, without the written consent of the Subscriber (such consent not to be unreasonably withheld or delayed), at any time until 180 days after the Second Issue Date:
 - (i) issue;
 - (ii) agree to issue;
 - (iii) offer for subscription; or
 - (iv) indicate in any way that the Company or the Group may or will issue, agree to issue or offer for subscription,

any equity securities or subordinated debt securities or other securities (including hybrid, convertible or equity-linked securities) or grant or agree to grant any options in respect of such securities (or do anything economically equivalent to any of the foregoing) other than pursuant to the Offer or in accordance with a top-up right of Maylion Pty Ltd or Noble Group Limited under the share subscription deed between them and the Company dated 17 October 2013 to the extent triggered by an issue to SK Networks, Co. Ltd on exercise of a top-up right which was itself triggered by the issue of Top-up Securities under this agreement;
- (e) (liquidator) not appoint, or permit the appointment of, a liquidator, provisional liquidator, receiver, receiver and manager or other similar official in relation to it or its Subsidiaries or to their property without the prior written consent of the Subscriber (such consent not to be unreasonably withheld or delayed); and



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10 Indemnity

- (f) (material transactions) not, without the prior written consent of the Subscriber (such consent not to be unreasonably withheld or delayed), at any time until 180 days after the Second Issue Date acquire or dispose of (or enter any agreement to acquire or dispose of) any substantial assets or business except as contemplated by this agreement or as specifically disclosed in the Offer Materials, unless:
 - (i) in the reasonable opinion of the Subscriber, the disposal or acquisition does not have or is not likely to have a material adverse effect on the Company; or
 - (ii) the disposal or acquisition is in the ordinary course of business and, in the case of a disposal, for full market consideration (being book value or greater);
- (g) (structure) not, at any time until 180 days after the Second Issue Date, alter, agree to alter or propose an alteration to its capital structure (whether debt or equity) except with the prior consent of the Subscriber or as permitted by this agreement);

It being acknowledged by the Company that each of these undertakings is a material term of this agreement.

10 Indemnity

10.1 Indemnity

The Company indemnifies the Indemnified Parties from and against any and all Losses directly or indirectly incurred by an Indemnified Party arising at any time in connection with the Offer or this Subscription Agreement, including:

- (a) any misleading or deceptive (including, without limitation, within the meaning of section 728(2) of the Corporations Act) or untrue statement contained in, or omission of information required to be contained in any Offer Materials;
- (b) any settlement of any litigation, or any investigation or proceeding by any Government Agency, domestic or foreign, commenced or threatened, or of any Claim whatsoever based on a misleading or deceptive statement or omission, if the settlement is either reasonable in the circumstances or is effected with the written consent of the Company;
- (c) any expenses whatsoever (including the fees and disbursements of lawyers chosen by the Indemnified Party) reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any Government Agency, domestic or foreign, commenced or threatened, or any Claim whatsoever based on any a misleading or untrue statement or omission in respect of the Offer Materials, or any alleged misleading or untrue statement or omission, to the extent that any expense is not paid under sub-paragraph (a);
- (d) Losses directly or indirectly incurred by an Indemnified Party arising out of any other statement in information released publicly by the Company being untrue or misleading and deceptive (whether by omission or otherwise); and
- (e) Losses directly or indirectly incurred by an Indemnified Party arising out of:



- (1) the Company failing to perform or observe any of its obligations under the Underwriting Agreement or this agreement;
- (2) non-compliance with any statutory or Government Agency requirement concerning the Offer or any investigation by a Government Agency, in respect of the Offer or the Offer Materials; any representation or warranty made or deemed by clause 10.1 of the Underwriting Agreement to have been made by the Company under the Underwriting Agreement or this agreement proving to have been untrue or incorrect or any undertaking given by the Company under the Underwriting Agreement or this agreement having been breached;
- (3) any announcement, advertisement, or publicity made or distributed by or on behalf of any Indemnified Party in relation to the Offer with the prior written approval of the Company (which must not be unreasonably withheld or delayed); or
- (4) any Claim that an Indemnified Party has any liability under the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth) or any other applicable law in relation to the Offer.

Each of the paragraphs and sub-paragraphs of this clause 10.1 must be construed independently and no paragraph or sub-paragraph is to be limited by implications arising from any other paragraph or sub-paragraph.

10.2 Limited indemnity

The Indemnity in clause 10.1 does not extend to any Loss suffered by an Indemnified Party to the extent that Loss results from:

- (a) any amount in respect of which this indemnity would be illegal, void or unenforceable under any applicable law;
- (b) any penalty or fine which that Indemnified Party is required to pay for any contravention by it of the Corporations Act or any other applicable law, other than in circumstances where that contravention has been caused by the conduct of the Company; or
- (c) the fraud, wilful default, wilful misconduct or negligence of the Subscriber or that Indemnified Party.

10.3 Preservation of rights

The rights of an Indemnified Party under this agreement will not in any way be prejudiced or affected by:

- (a) any approval given by it concerning any of the Offer Materials;
- (b) any knowledge (actual or constructive) of any:
 - (1) non-compliance by the Company or a Subsidiary of the Company with any statutory or ASX requirement concerning the Offer or any of the Offer Materials;
 - (2) failure by the Company to perform or observe any of its obligations under the Underwriting Agreement or this agreement; or
 - (3) any representation or warranty made or deemed by clause 10.1 of the Underwriting Agreement to have been made by the Company under the Underwriting Agreement or this agreement proving to have been untrue or incorrect;



- (c) any lawful termination by the Underwriter of the Underwriting Agreement or by the Company of this agreement; or
- (d) any other fact matter or thing (other than an express written waiver) which might otherwise constitute a waiver of or in any way prejudice or affect any right of an Indemnified Party.

10.4 Notice of potential action

If any of the Indemnified Parties receives written notice of any act, matter or thing which in the reasonable opinion of the Indemnified Party would be likely to give rise to a Claim in relation to which the Company would be required to indemnify any of them under clause 10.1 then the relevant person must notify the Company giving reasonable details so far as is practicable within 15 Business Days of it receiving that notice.

10.5 Failure to notify

Failure on the part of an Indemnified Party to notify the Company in accordance with clause 10.4 will not release the Company from any obligation or liability which it may have pursuant to this Agreement or the Underwriting Agreement except that the liability will be reduced in relation to that Indemnified Party to the extent to which the Company:

- (a) has suffered damage or loss; or
 - (b) the amount the subject of the indemnity under clause 10.1 has increased,
- as a result of the failure to so notify.

10.6 Benefits of indemnity

The Subscriber enters into the provisions of this clause 10 for itself and as agent of the other Indemnified Parties who are not a party to this agreement and, accordingly, accepts the full benefit of this clause 10 on behalf of the Indemnified Parties. Each Indemnified Party, whether or not a party to this agreement, will be entitled to the benefit of this clause 10 and this clause 10 may be enforced on its behalf by the Subscriber. The Subscriber may enter into any agreement with any person and deal with their rights under this clause 10 without regard to the interests of any of their respective Indemnified Parties.

10.7 Conduct of proceedings

- (a) The Company agrees that, without the prior written consent of the Subscriber (which must not be unreasonably withheld), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification could be sought under the indemnity in this agreement (whether or not the Subscriber or any other Indemnified Party is an actual or potential party to the Claim), unless the settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of the Claim.
- (b) The Company is, subject to clause 10.7(e), entitled to defend or to institute legal or other proceedings of the type referred to in clause 10.4 in the name of any of the Indemnified Parties and to have those proceedings conducted under the sole management and control of the Company provided that:
 - (1) the Company diligently pursues or defends the proceedings and keeps the Subscriber and any relevant Indemnified Party fully



- informed of the progress of the defence or the prosecution of such proceedings;
- (2) the Indemnified Party has the right to information, consultation and representation concerning the development and defence of any litigation or threatened litigation;
 - (3) the Company has reasonable regard to preserving the reputation of the Subscriber in conducting the defence; and
 - (4) no admission of liability or compromise whatsoever in connection with the claim or action may take place without the relevant Indemnified Parties' prior written consent (this consent not to be unreasonably withheld).
- (c) Each Indemnified Party, subject only to clauses 10.7(d) and 10.7(e), is required, and the Subscriber must take reasonable steps to cause the Indemnified Parties, to:
- (1) promptly take reasonable action as the Company requests to avoid, dispute, resist, appeal, compromise or defend the Claim or any adjudication in respect of it;
 - (2) not settle or compromise any Claim without the prior written consent of the Company (this consent not to be unreasonably withheld or delayed);
 - (3) promptly give all reasonable assistance and co-operation to the Company in the conduct of any Claim, including providing the Company with any documents in its possession and signing all documents, authorities and directions which the Company may reasonably require for the prosecution or advancement of any legal or other proceedings; and
 - (4) do anything reasonably necessary or desirable to ensure that the Company is subrogated to and enjoys the benefit of the rights of the Indemnified Parties in relation to any cross claim and to render assistance as may be reasonably requested by the Company for that purpose.
- (d) An Indemnified Party is under no obligation to take or refrain from taking action under clause 10.7(c) if to do so would in the reasonable opinion of the Indemnified Party, lead to a risk of material damage to its reputation or standing.
- (e) The Indemnified Parties are under no obligation under clause 10.7(c), nor are the terms of clause 10.7(b) to apply, unless, at the time at which the Company requests any of the Indemnified Parties to take any action, the Company irrevocably and unconditionally agrees in a form acceptable to the Indemnified Parties, acting reasonably, to indemnify those Indemnified Parties against all costs, charges or expenses incurred by or awarded against the Indemnified Parties in taking the action required, as and when they fall due, including legal costs and disbursements of their lawyers on a full indemnity basis and the cost of any involvement of any officers of the Subscriber at normal commercial rates.
- (f) The Company agrees that no Claim may be made by it against any Indemnified Party, and the Company unconditionally and irrevocably releases and discharges each Indemnified Party from any Claim that may be made by it, to recover from any Indemnified Party any Losses incurred or sustained by the Company arising directly or indirectly as a result of the participation of that Indemnified Party in the preparation of the Offer Materials or in relation to the Offer, except in relation to matters where, and to the extent that, those Losses



result from the fraud, wilful default, wilful misconduct or negligence of the Subscriber or that Indemnified Party.

- (g) If for any reason (other than the matters referred to in clause 10.2) the above indemnities and releases are unavailable or insufficient to hold harmless any Indemnified Party against any Loss against which the Indemnified Party is stated to be indemnified under clause 10.1 then, to the maximum extent permitted by law, the respective proportional contribution of the Company (on the one hand) and the relevant Indemnified Parties (on the other) in relation to the relevant Loss will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Company (on the one hand) and the relevant Indemnified Parties (on the other) in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission. In no event will the Indemnified Parties be required to contribute to any Loss in an aggregate amount that exceeds the fees received by the Subscriber.

10.8 Separate representation

- (a) Despite anything to the contrary in this clause 10, an Indemnified Party may engage its own legal or other representation and participate in any proceedings arising pursuant to this clause 10 where the Company has the conduct of the proceeding, but any reasonable expenses incurred by it in relation to that proceeding will only be borne by the Company to the extent that those expenses are incurred with the prior written authority of the Company or as otherwise contemplated under the terms of the Underwriting Agreement or this agreement.
- (b) However, nothing in this clause 10.8 affects the obligation of the Company to bear those Losses that are the subject of clause 10.7.

10.9 Qualification on Limitations

Notwithstanding the limitations to the indemnity set out in clause 10.2 and the limitations on the release set out in clause 10.7(f), such limitations will not apply in respect of any Claims under U.S. Law, to the extent that such Losses arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Offer Materials or any supplement or amendment thereto, or in any information otherwise provided to one or more investors (either specifically or generally) by, or with the approval of, the Company in connection with the Offer or otherwise, or arise out of or are based upon the omission or alleged omission of a material fact necessary in order to make the statements therein, taken together with the ASX and other public disclosures of the Company, in the light of the circumstances under which they were made, not misleading.

10.10 Contractual contribution

If for any reason the indemnities contained in this clause 10 are unavailable or insufficient to fully indemnify any Indemnified Party against any Loss against which the Indemnified Party is stated to be indemnified under this clause 10, then the Company agrees to contribute to the relevant Loss, in all cases to the maximum extent allowable by law.

10.11 Proportional contribution

If for any reason the indemnity in clause 10.1 is unavailable or insufficient to hold harmless any Indemnified Party against any Loss against which the Indemnified Party is



stated to be indemnified (other than expressly excluded under clause 10.2), the respective proportional contributions of the Company and the Indemnified Party or the Indemnified Parties in relation to the relevant Loss will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Company and the Indemnified Party or the Indemnified Parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission.

10.12 No excess contribution

The Company agrees with the Indemnified Parties that in no event will the Indemnified Parties be required to contribute under this clause 10 to any Claim an aggregate amount that exceeds the commission and fees to the Subscriber, or in the case of an Indemnified Party, the Subscriber associated with that Indemnified Party, under the Sub-underwriting Agreement.

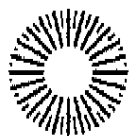
10.13 Preservation of rights

Subject to clause 10.2, the rights of an Indemnified Party under this agreement will not in any way be prejudiced or affected by any approval given by that party in relation to:

- (a) any involvement by that party in the preparation of the Offer Materials, including the Public Information;
- (b) any knowledge (actual or constructive) of any failure by the Company to perform or observe any obligations under the Underwriting Agreement or this agreement;
- (c) any termination by the Subscriber of its obligations under the Underwriting Agreement or this agreement;
- (d) any inaccuracy in or breach or default of any representation, warranty or undertaking made or deemed to have been made by the Company under the Underwriting Agreement or this agreement; or
- (e) any other fact, matter or thing which might otherwise constitute a waiver of, or in any way prejudice or affect, any right of an Indemnified Party.

10.14 Third parties

- (a) The Company will promptly notify the Subscriber of any arrangements which limit the extent to which the Company may claim against a third party or parties in connection with the Offer (Relevant Limitation). Where Loss is suffered by the Company for which the Subscriber would otherwise be jointly and severally liable with any third party or third parties to the Company, the extent to which such Loss will be recoverable by the Company from the Subscriber will:
 - (1) be limited so as to be in proportion to the Subscriber's contribution to the overall fault for such Loss, as agreed between the Subscriber and the Company or, in the absence of agreement, as finally determined by a court of competent jurisdiction; and
 - (2) be no more than it would have been had any Relevant Limitation not existed,
- (b) The Company acknowledges that the degree to which the Subscriber may rely on the work of any such third party (if any) will be unaffected by any Relevant Limitation.



11 Confidentiality and announcements

11.1 Confidentiality

Each party (recipient) must keep secret and confidential, and must not divulge or disclose any information relating to another party or its business (which is disclosed to the recipient by the other party, its representatives or advisers), this agreement other than to the extent that:

- (a) the information is in the public domain as at the date of this agreement (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (b) the recipient is required to disclose the information by applicable law or the rules of any recognised stock exchange on which its shares or the shares of any of its related bodies corporate are listed, provided that the recipient has to the extent possible having regard to the required timing of the disclosure consulted with the provider of the information as to the form and content of the disclosure;
- (c) the disclosure is made by the recipient to its financiers or lawyers, accountants, investment bankers, consultants or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this agreement or to conduct their business generally, in which case the recipient must ensure that such persons keep the information secret and confidential and do not divulge or disclose the information to any other person;
- (d) the disclosure is required for use in legal proceedings regarding this agreement; or
- (e) the party to whom the information relates has consented in writing before the disclosure.

11.2 Extent of obligation

Each recipient must ensure that its directors, officers, employees, agents, representatives, financiers, advisers and related bodies corporate comply in all respects with the recipient's obligations under clause 11.1.

11.3 Announcements referring to the Subscriber

- (a) The Company must not name the Subscriber in any announcement, public statement or communication without the prior consent of the Subscriber except where required by applicable law or the rules of any recognised stock exchange on which its shares or the shares of any of its related bodies corporate are listed.
- (b) Prior to any such announcement, statement or communication which the Company is required to make to comply with applicable law or the rules of any recognised stock exchange the Company must, to the extent possible having regard to the required timing of the disclosure, obtain the consent (not to be unreasonably withheld) of the Subscriber to the form of the announcement, statement or communication. For the avoidance of doubt, consent under this subclause will not operate as consent to attribute any statement to the Subscriber in a prospectus or other public document.



12 Fees and costs

12.1 Fee

The Company must pay to the Subscriber a due diligence and commitment fee of \$2.5 million by 3.00pm on the Second Settlement Date. For the avoidance of doubt, the payment of this fee does not preclude or limit the Subscriber from claiming due diligence costs under clause 12.3.

12.2 Duties

The Company must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under either of them.

12.3 Costs and expenses

- (a) Unless otherwise provided for in this agreement, the Company must pay, or reimburse the Subscriber for, all out-of-pocket expenses reasonably incurred by the Subscriber in connection with the Company, the Offer, the Sub-underwriting Agreement or the subscription of the Top-up Securities, including but not limited to:
 - (1) all reasonable costs (including legal Costs) in respect of the Company (including this agreement, any aspect of the Offer, the Sub-underwriting Agreement or the subscription and issue of the Sub-underwritten Securities and the Top-up Placement Securities incurred by the Subscriber, and any other transaction whether direct or indirect); and
 - (2) any transaction taxes payable in respect of this agreement, up to \$1 million as soon as reasonably practicable and in any event within 5 Business Days after a request for reimbursement is made by the Subscriber, and whether such Costs or expenses were incurred before or after the date of this agreement and before or after Settlement, and whether or not the Offer proceeds.
- (b) No payments made to third parties by the Company will reduce amounts owed by the Company to the Subscriber.
- (c) The Company will be responsible (irrespective of whether the Offer proceeds or not) for payment of its own legal fees, accountants' Costs and Costs involved by other appointed advisers, including share register analytics which are required for the Offer. In addition, the Company will be responsible for listing application fees payable to ASX, settlement fees and other fees in relation to the Offer or the Securities issued under the Offer which are payable to ASIC, ASX, or any other Government Agency.
- (d) The Company authorises the Subscriber to set-off any amounts due and payable by the Subscriber under this clause 12.3 or withhold any amounts due and payable by the Company to a third party (including any amounts to repay funds lent by a third party to the Company) from the amounts payable by the Subscriber to the Company under this agreement or by the Underwriter under the Underwriting Agreement to the extent that they are attributable to the Sub-underwriting agreement. The Subscriber will provide the Company with full details of any amount set off and a tax invoice in respect of each such amount (if reasonably requested by the Company).



13 GST

13.1 Definitions

Words used in this clause 13 that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

13.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clauses 13.2(a) and 13.2(b) applies:
 - (1) the supplier must determine the amount of the GST component of the consideration payable; and
 - (2) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

13.3 Tax Invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which clause 13.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

13.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

14 Notices

14.1 How and where Notices may be sent

A notice or other communication under this agreement (Notice) must be in writing and delivered by hand or sent by pre-paid post to a party at the address or by email to the



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15 General

nominated email address for that party in Schedule 1 or as otherwise specified by a party by Notice.

14.2 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 14.1).

14.3 When Notices are taken to have been given and received

- (a) A Notice sent by post is regarded as given and received on the second Business Day following the date of postage.
- (b) An email is regarded as given and received when the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.
- (c) A Notice delivered or received other than on a Business Day or after 4.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

15 General

15.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

15.2 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 15.2(a) does not apply where enforcement of the provision of this agreement in accordance with clause 15.2(a) would materially affect the nature or effect of the parties' obligations under this agreement.

15.3 Waiver

No party to this agreement may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 15.3 are set out below.



Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this agreement and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct that might otherwise give rise to an estoppel.

15.4 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

15.5 Assignment of rights

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 15.5(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 15.5(b) does not affect the construction of any other part of this agreement.

15.6 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

15.7 Entire agreement

This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements, express or implied in respect of its subject matter.

15.8 No merger

The Warranties, undertakings and indemnities in this agreement will not merge on Settlement.

15.9 No reliance

Neither party has relied on any statement by the other party not expressly included in this agreement.

15.10 Counterparts

- (a) This agreement may be executed in any number of counterparts.



- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this agreement by signing any counterpart.

15.11 Relationship of the parties

- (a) Nothing in this agreement gives a party authority to bind any other party in any way.
- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.

15.12 Exercise of discretions

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.



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Schedules

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Schedule 1

Notice details

Subscriber	Liberty Metals & Mining Holdings, LLC
Address	175 Berkeley Street, T22B, Boston, MA 02116, USA
Attention	Damon Barber
Phone	+1 617 367 9500
Fax	+1 857 224 8663
Email	damon.barber@lmi.com
Copy to	Rebecca Maslen-Stannage Herbert Smith Freehills, ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 rebecca.maslen-stannage@hsf.com

Company	Cockatoo Coal Limited
Address	Level 4, 10 Eagle Street, Brisbane, Queensland 4000
Attention	Company Secretary
Phone	+61 7 3640 4742
Fax	+61 7 3640 4799
Email	lodwyer@cockatoocoal.com.au



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Schedule 2

Application for Top-up Securities

To: The Directors
Cockatoo Coal Limited (Company)

[insert name of applicant], in accordance with the terms of the Subscription Agreement dated **[insert date]** and made between the Company and **[insert full name of Grantee]** (Subscriber) (Agreement):

- 1 applies to have issued to it **[insert number]** fully paid ordinary shares in the capital of the Company;
- 2 encloses payment in the sum of \$**[insert amount]** representing the subscription money payable in respect of the shares; and
- 3 agrees to hold all shares issued to it on and subject to the provisions of the constitution of the Company from time to time and to be bound by and observe such provisions.

date

Signed for
[insert name of applicant]
by its representative

sign here ►

Representative

print name



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Schedule 3

Company Warranties

- (1) **(related party transactions)** The only material agreements, arrangements or understandings between the Company and a shareholder owning more than 10% of the Company or its associate under which that shareholder or associate receives any benefit in a capacity other than as shareholder are as described in Schedule 5.
- (2) **(offtake and marketing agreements)** The only material offtake and marketing agreements to which a Group Member is party are as set out in Schedule 6.
- (3) **(compliance with contractual obligations)** The entry by the Company into and performance by it of its obligations under each Transaction Document would not be in breach of or inconsistent with any contractual or legal obligation owed by the Company.
- (4) **(contingent liabilities)** The only material take or pay and contingent liabilities of the Company are as set out in Schedule 8 and the Dataroom document entitled "Contingent Liabilities v0.02.xlsx" as contained in the Dataroom folder entitled "2015 Business Case – 9.0 Commitments & Contingent Liabilities".
- (5) **(financing arrangements)** The only material financing arrangements to which a Group Member is party (including any guarantee arrangements, whether on or off-balance sheet), are as set out in Schedule 9.
- (6) **(capital commitments)** The known or expected material capital commitments or requirements of the Group for the next 3 years are as set out in Schedule 10 and the Dataroom document entitled "BCEP Capital Commitments – Package.xlsx" as contained in the Dataroom folder entitled "2015 Business Case – 9.0 Commitments & Contingent Liabilities".
- (7) **(Environmental bonding requirements)** The known or estimated (as applicable) material environmental bonding arrangements and requirements of the Group for the next 3 years are as set out in the Dataroom folder entitled "2015 Business Case – 7.0 Financial Assurance Information".
- (8) **(charges)** All material information in the Company's possession or control relating to any WICET port charges, any WICET haul charges and any other fees payable under the WIRP Deed for the next 3 years has been provided to the Subscriber.
- (9) **(Tax)** Cockatoo has:
 - (A) paid all Taxes which have fallen due before the Settlement Date;
 - (B) complied with all material obligations imposed on it by any Tax Law; and



- (C) submitted any necessary information, notices, computations and returns to the relevant Governmental Agency in respect of any Tax or any Duty relating to the Group.
- (10) **(general solicitation or general advertising)** Neither the Company, nor any Affiliate of the Company, nor any person acting on their behalf (other than the Underwriter or its Affiliates or any person acting on behalf of any of them, as to whom no representation or warranty is made) has offered or sold, or will offer or sell, the Subscribed Securities in the United States using any form of any "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act or in any manner involving a public offering in the United States within the meaning of section 4(a)(2) of the U.S. Securities Act.
- (11) **(no integration)** Neither the Company, nor any Affiliate of the Company nor any other person acting on their behalf (other than the Underwriter or their Affiliates or any person acting on behalf of any of them, as to whom no representation or warranty is made) has offered or sold, or will offer or sell, in the United States, any security of the Company which is or would be integrated with the sale of the Subscribed Securities in a manner that would require the Subscribed Securities to be registered under the U.S. Securities Act.
- (12) **(U.S. Investment Company Act of 1940)** The Issuer is not, and immediately after giving effect to the offering and sale of the Subscribed Securities and application of the net proceeds therefrom will not be, required to register as an "investment company", as such term is defined in the U.S. Investment Company Act of 1940.
- (13) **(Rule 144A information)** For so long as any Subscribed Securities are "restricted securities" within meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will at any time when they are neither subject to section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, for the benefit of holders from time to time of such "restricted securities" furnish, upon request and at its expense, to holders of Subscribed Securities in the United States and prospective purchasers of Subscribed Securities in the United States designated by any holder, information satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the U.S. Securities Act.



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Schedule 4

Subscriber Warranties

1 General Warranties

The Subscriber warrants in respect of itself and any Nominee that:

- (a) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this agreement.
- (b) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by the Subscriber and any Nominee of this agreement in accordance with its terms have been obtained or will be obtained prior to Settlement.
- (c) **(No legal impediment)** the execution, delivery and performance of this agreement:
 - (1) complies with its constitution or other constituent documents (as applicable); and
 - (2) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.
- (d) **(Solvency):**
 - (1) it has not gone, or proposed to go, into liquidation;
 - (2) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (3) it has not received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for deregistration under section 601AA of the Corporations Act;
 - (4) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Subscriber is aware, there are no circumstances justifying a petition or other process;
 - (5) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Subscriber, and, so far as the Subscriber is aware, there are no circumstances justifying such an appointment; or
 - (6) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.



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Schedule 4 Subscriber Warranties

- (e) **(Subscriber status and investment intent)** It is a QIB and it is purchasing the Subscribed Securities for its own account or for the account of one or more other QIBs as to which it has and is exercising investment discretion and not with a view to any resale or distribution thereof.
- (f) **(No registration)** it understands that the Subscribed Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and that, therefore, such Subscribed Securities cannot be offered, sold, resold, transferred or otherwise disposed of unless and until they are registered under the U.S. Securities Act (which the Subscriber acknowledges that the Company has no obligation to procure) or unless they are sold or otherwise disposed of in compliance with sub-paragraph (j) below.
- (g) **(Investor sophistication)** It and each other QIB, if any, for whose account it is acquiring any Subscribed Securities, has (a) the financial ability to bear the economic risk of the investment in the Subscribed Securities, (b) adequate means to provide for its or their current needs and other contingencies and to withstand the loss of the entire investment in the Subscribed Securities and (c) no need for liquidity with respect to the investment in the Subscribed Securities.
- (h) **(Suitability)** It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of a purchase of the Subscribed Securities for itself and each QIB, if any, for whose account it is acquiring any Subscribed Securities, and it has determined that the Subscribed Securities are a suitable investment for itself and each QIB, if any, for whose account it is acquiring any Subscribed Securities, both in the nature and the number of the Subscribed Securities.
- (i) **(No general solicitation or general advertising)** it acknowledges that neither the Company nor any other person offered to sell the Subscribed Securities to it by means of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act).
- (j) **(Limitations on transfer)** It agrees that if in the future it or any other QIB for whose account it is acquiring the Subscribed Securities decides to sell or otherwise transfer any Subscribed Securities, it will only do so, and it will inform such other QIB that it may only do so, in (i) an offshore transaction (including a standard (regular way) transaction on the ASX) complying with Rule 904 of Regulation S under the U.S. Securities Act where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States, (ii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (iii) to a person whom it reasonably believes is a QIB that is purchasing for its own account or for the account of another QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (iv) pursuant to an effective registration statement under the Securities Act (which it acknowledges the Company has no obligation to procure), and in each of such cases in accordance with any applicable securities laws of any state or any other jurisdiction of the United States.
- (k) **(Restricted securities)** It understands that the Subscribed Securities will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and for so long as they remain restricted securities, the Subscriber agrees not to deposit the Subscribed Securities in any unrestricted American Depositary Receipt facility that has been or may be established with respect to the ordinary shares of the Company.



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Schedule 5

Related party arrangements

Parties and any beneficiaries of the arrangement	Date of arrangement	Details of benefit	Benefit on arm's length? (Y/N)	Clause references
Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	21 November 2014	Prepaid spot contract for sale of coal to Noble	Y	N/A
Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	1 December 2014	Prepaid spot contract for sale of coal to Noble	Y	N/A
Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	25 August 2014	Long term off-take contract to Noble	Y	N/A
Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	25 August 2014	Long term off-take contract to SK Networks	Y	N/A



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Schedule 5 Related party arrangements

Parties and any beneficiaries of the arrangement	Date of arrangement	Details of benefit	Benefit on arm's length? (Y/N)	Clause references
<p>Wonbindi Coal Pty Ltd (Sellers)</p> <p>Cockatoo Coal Limited (Guarantor)</p> <p>SK Networks Co., Ltd (Buyer)</p>				
<p>Baralaba Coal Pty Ltd and</p> <p>Wonbindi Coal Pty Ltd</p> <p>Cockatoo Coal Limited</p> <p>Noble Resources International Pte Ltd</p>	24 November 2014	Noble appointed as exclusive sales and marketing agent for coal produced by Baralaba and Wonbindi worldwide except Indonesia (to the extent Harum is appointed for Indonesia), Korea and Taiwan.	Y	N/A
<p>Cockatoo Coal Limited and SK Networks Co., Ltd (by novation in 2010) and Kores Australia Pty Ltd</p>	20/09/2006	SK Networks (and Kores) have exclusive rights to market in Korea coal produced by Cockatoo from deposits at the Dingo and Wonbindi mines (including Wonbindi's tenements that will be utilised for the Baralaba North Expansion.	Y	N/A
<p>Cockatoo Coal Limited and SK Networks Co., Ltd</p>	17/10/2013	<p>SK Networks has exclusive rights to market in Korea and Taiwan the Cockatoo Group's share of all coal produced from mines or tenements owned by a Cockatoo Group member.</p> <p>The agreement also gives SK Networks rights of first and last refusal in respect of coal produced at the Baralaba North Mine where a Cockatoo Group Member is required to enter into long-term offtake agreements for financing purposes where the end user is in Korea or Taiwan.</p>	Y	N/A



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Schedule 5 Related party arrangements

Parties and any beneficiaries of the arrangement	Date of arrangement	Details of benefit	Benefit on arm's length? (Y/N)	Clause references
Cockatoo Coal Limited and Noble Resources Limited	30/09/2013	<p>Noble has the exclusive right to market worldwide (except Korea and Taiwan) the Cockatoo Group's share of all coal produced from mines or tenements owned by a Cockatoo Group member.</p> <p>The agreement also gives Noble rights of first and last refusal in respect of coal produced at the Baralaba North Mine where a Cockatoo Group Member is required to enter into long-term offtake agreements for financing purposes (except where the end user is in Korea or Taiwan).</p>	Y	N/A
Cockatoo Coal Limited and Harum Energy Australia Limited (or a Related Body Corporate)	17 October 2013	Cockatoo has agreed to grant Harum Energy (or a Related Body Corporate) the exclusive right to market all coal to be sold by Cockatoo in Indonesia.	Y	N/A



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Schedule 6

Offtake and marketing agreements

Name of agreement	Parties	Date of agreement	Key commercial terms
Noble Contract: NRIPL - 13528NP	Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	21 November 2014	
Noble Contract: NRIPL - 13606NP	Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	1 December 2014	
Noble Contract	Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers) Cockatoo Coal Limited (Guarantor) Noble Resources International Pte Ltd (Buyer)	25 August 2014	5.85Mtpa offtake
SK Contract	Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (Sellers)	25 August 2014	5.85Mtpa offtake



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Schedule 6 Offtake and marketing agreements

Name of agreement	Parties	Date of agreement	Key commercial terms
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	Cockatoo Coal Limited (Guarantor)		
	SK Networks Co., Ltd (Buyer)		

Sale and Marketing Agreement (Coal – Baralaba Project)	Baralaba Coal Pty Ltd and	24 November 2014	
	Wonbindi Coal Pty Ltd		
	Cockatoo Coal Limited		
	Noble Resources International Pte Ltd		

Sale and Marketing Agreement (Coal)	Cockatoo Coal Limited (Principal)	17 October 2013 (as amended and restated on 24 November 2014)
	Noble Resources International Pte Ltd (Agent)	

Sale and Marketing Agreement (Coal)	Cockatoo Coal Limited (Principal)	17 October 2013
	SK Networks Co., Ltd (Agent)	

Marketing Services Agreement	Cockatoo Coal Limited (Principal)	9 September 2006
	Oxbow Coal B.V. (Agent)	

Marketing Services Agreement	Cockatoo Coal Limited (Principal)	20 September 2006
	SK Networks Co. Ltd (by novation in 2010) (Agent)	
	Kores Australia Pty Ltd (Agent)	



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Schedule 6 Offtake and marketing agreements

Name of agreement	Parties	Date of agreement	Key commercial terms
JFE Shoji Marketing Agency Agreement	Cockatoo Coal Limited Baralaba Coal Pty Ltd JFE Shoji Trade Corporation	28 October 2011	
Sales Agency Agreement	Aston Dingo Pty Ltd Independent Coal Pty Ltd Aston Coal Marketing Pty Ltd	16 July 2009	
Baralaba Coal and Cockatoo Coal Marketing Agreement	Baralaba Coal Pty Ltd Cockatoo Coal Limited	26 January 2005	
Subscription Agreement	Cockatoo Coal Limited Harum Energy Australia Limited	17 October 2013	
Cockatoo Coal Limited and Korea East-West Co. Ltd Share Subscription and Voluntary Escrow Deed	Cockatoo Coal Limited Korea East-West Co. Ltd	26 February 2009	
Cockatoo Coal Limited and Korea East-West Co. Ltd Share Subscription	Cockatoo Coal Limited Korea East-West Co. Ltd	7 November 2007	



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Schedule 6 Offtake and marketing agreements

Name of agreement	Parties	Date of agreement	Key commercial terms
and Voluntary Escrow Deed			
Cockatoo Coal Limited and KEPCO Australia Pty Ltd Share Subscription and Voluntary Escrow Deed	Cockatoo Coal Limited KEPCO Australia Pty Ltd	7 November 2007	
Coal Sales and Purchase Agreement	Baralaba Coal Pty Ltd JFE Steel Corporation	24 January 2013	
Addendum No 8 to Coal Sales and Purchase Agreement	Baralaba Coal Pty Ltd JFE Steel Corporation	27 November 2014	
Coal Sales and Purchase Agreement	Baralaba Coal Pty Ltd JFE Shoji Trade Corporation	To be executed	



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Schedule 7

Sources and uses

Sources	(A\$ million)
Opening cash (as at 01/01/15)	16
Equity raise proceeds ¹	125
Baralaba mine cash flows	13
Total Sources	154

Uses	(A\$ million)
Capital expenditure	106
Capital contingency	7
Administration and Other	23
Finance Costs	6
Transaction Costs	10
Cash to balance sheet ²	2
Total uses	154

¹If the maximum number of shares that could be issued under this top-up subscription agreement are issued, Cockatoo would receive approximately an additional \$20.1million, and have additional cash to balance sheet of the same amount

²If the maximum number of shares that could be issued under this top-up subscription agreement are issued, Cockatoo would receive approximately an additional \$20.1million, and have additional cash to balance sheet of the same amount



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Schedule 8 Contingent liabilities

Schedule 8

Contingent liabilities

Claiming/entitled party	Summary of nature of liability	Expected quantum	Other
As detailed within Note 32 of the 30 June 2014 financial statements.			
WICET	Port Take or Pay	\$396.0M	Amount is in real dollars
Aurizon	Above rail take-or-pay	\$166.3M	Amount is in real dollars
Aurizon Network	Below rail take-or-pay	\$64.2M	Amount is in real dollars
Aurizon Network	WIRP fees	\$38.2M	Amount is in real dollars
Gladstone Port Corporation – RG Tanna	Port Take or Pay	\$8.5M	Amount is in real dollars



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Schedule 9

Financing arrangements

Parties	Agreement details	Nature of arrangement	Quantum
Komatsu	Lease agreement	Finance Lease for small mining equipment	~\$1.01M outstanding
Maptek	Lease agreement	Finance Lease for mine planning software	~\$100k outstanding
Truflo	Lease agreement	Finance lease for pumps	~\$50k outstanding
Thinkwater	Lease agreement	Finance lease for pumps	~\$10k outstanding
Petro	Lease agreement	Finance lease for fuel management system	~\$480k outstanding
ANZ	LC Facility Agreement	Guarantee facility	\$35M (non-cash backed environmental) and \$60M (cash or bank guarantee backed)
Noble Group & SK Networks	Bank Guarantee Facility	Guarantee facility to support \$60M portion of ANZ LC Facility	\$37M (\$18.5M each) in favour of ANZ
JS Baraleba Wonbindi	Loan Agreement	COK Subsidiary ex-shareholder loans	~\$66M outstanding accruing interest at 8% pa.
ANZ	Project Finance Commitment	Commitment for project finance facility subject to CP's	\$255M including \$55m environmental bonding facility



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Schedule 10

Material commitments

Nature and summary of commitment	Timing	Quantum
Austin's property acquisition (Put/Call option Deed and Compensation Agreement)	See quantum column	<p>No Compensation under the</p> <ul style="list-style-type: none"> - \$60,000 payable 16 business days after execution which occurred on 6th November - \$1.25 million payable on grant of ML80201 - \$750,000 payable on 31st January 2016 <p>The Put Option may not be exercised until 21 months after the date of grant of ML 80201. We may exercise the Call Option at any time. Both the Put and Call Option terminate if ML80201 is not granted by 30th June 2016 or if not exercised within 60 months of the grant of ML 80201. Once either Option is exercised, the Contract for Sale comes into effect. The Purchase Price under the contract for sale is \$12,560,000. Amounts paid under the Put and Call Option for the deposit under the Contract for Sale and are therefore deducted from the Purchase Price. Settlement is to occur 90 days after execution of the Contract for Sale.</p>
Houses (landholder): unsigned agreement	Less than 1 year	\$50,000 for double glazing of windows and air conditioning installation
Hoadley (landholder) : unsigned agreement	Less than 1 year	\$450,000 for the construction of a new house



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Schedule 10 Material commitments

Nature and summary of commitment	Timing	Quantum
Monitoring equipment: unsigned agreement	Until 2030	\$1.875M (real dollars)
Tenement rents	Annually	~\$600k
Exploration Commitments	Per term of tenement	\$13.8M
Challenger Life (4x220t trucks)	51 months	\$17M
Challenger Life (1x670t excavator)	51 months	\$12M
Hastings Dearing	32 months	\$3.5M
Various finance leases	1-2 years	\$1.3M (less than 1 year) \$0.4M (more than 1 year)
Finlay Crushing and Screening	1 month notice	\$93k
NAB Finance (Metso Screener)	33 months	\$9,300 per month
Various property rentals at Baralaba	Within 1 year	\$100k
Brisbane office rental	Until 31/8/2016	~\$60k per month
Telstra	Until 31/7/2017	Minimum \$20k per month
Ostwalds (Haulage)	3 month notice	\$600k minimum
GE Industree (equipment rental)	1 month notice	\$280k minimum per month



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Schedule 10 Material commitments

Nature and summary of commitment	Timing	Quantum
Straitline (drilling)	1 month notice	\$165k minimum break fee
LDE (explosives supply)	1 month notice	\$25k minimum break fee
Voodoo (shot firing)	3 month notice	\$300k minimum break fee
Construction capital commitments:		
Refer capital commitments schedule		



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Signing page

Signing page

Executed as an agreement

Subscriber

date

date

Signed for and on behalf of
Liberty Metals & Mining
Holdings, LLC
by

Signed for and on behalf of
Liberty Metals & Mining
Holdings, LLC
by

sign here ▶


Officer - Senior Vice President

sign here ▶

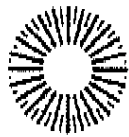

Officer - Vice President

print name

Damon Barber

print name

Stephan Theron



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Signing page

Company

Executed by
Cockatoo Coal Limited
in accordance with section 127 of the
Corporations Act 2001 (Cth)
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____
