Wollongong Coal

ACN 111 244 896
ABN 28 111 244 896

Head Office
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05 February 2016

Ms Luxmy Wigneswaran
Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ASX Code: **WLC**

8% CONVERTIBLE BONDS CONVERSION

Wollongong Coal Limited (ASX: WLC) ("Wollongong") announces that:

(a) it has received a conversion notice from Bellpac Pty Ltd (in liquidation) (Bondholder) requiring all of the remaining Convertible Bonds it states that it holds being as follows:

- 8% Convertible Bonds 2008 – I Series – 40 bonds aggregating to $3,652,474;
- 8% Convertible Bonds 2008 – II Series – 40 bonds aggregating to $3,652,474;
- 8% Convertible Bonds 2008 – III Series – 40 bonds aggregating to $3,652,474; and
- 8% Convertible Bonds 2008 – IV Series – 40 bonds aggregating to $3,652,474.

to be converted into Ordinary Shares (Conversion Notice);

(b) in accordance with the terms and conditions of issue of the Corporate Bonds, 2,472,063,680 Ordinary Shares (New Ordinary Shares) in total are to be issued to the Bondholder pursuant to the bondholder's application to convert, which it is proposed will occur on the basis resolved below.

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(c) the Company has received written confirmation from its major shareholder, Jindal Steel, which holds approximately 82% of the ordinary shares on issue in the Company, that Jindal Steel will vote in favor of the shareholders Resolution 1 referred to below.

2 Tranches - issue of ordinary shares to Bondholder

Noting the Company's major shareholder Jindal Steel which holds approximately 82% of the ordinary issued capital of the Company has confirmed it will vote in favor of the resolution referred to below, the issue of the New Ordinary Shares to the Bondholder will occur in 2 tranches, as follows:

(i) 1,019,726,268 ordinary shares are to be issued immediately, equating to 14.79% of the current ordinary issued capital of the Company (to ensure compliance with ASX Listing Rule 7.1; and

(ii) 1,452,337,412 ordinary shares immediately following a general meeting of shareholders approving the issue of 1,452,337,142 ordinary shares, (being the balance of the total number of shares to which the Bondholder is entitled pursuant to its application to convert), (to ensure compliance with Section 611 (item 7) of the Corporations Act which allows a company to issue shares which would result in a shareholder holding more than 20% of the ordinary issued share capital of a company if shareholder approval to such issue is obtained by ordinary resolution).

Shareholders will be provided with a Notice of Meeting in connection with the above within the next 60 days.

Regards

Sanjay Sharma
Company Secretary
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