



25 October 2016

Company Announcements Office
Australian Securities Exchange

Dispatch of Letters to Shareholders

Acacia Coal Limited (the Company) would like to confirm that in accordance with the timetable included in the Disclosure Document - Entitlements Issue released 24 October 2016, the letters to eligible and ineligible shareholders will be dispatched today, 25 October 2016.

A copy of the letters are attached to this announcement.

For and on behalf of the Board



24 October 2016

Dear Shareholder

Notice to Shareholders of Non-Renounceable Pro Rata Offer

We write to you as the registered holder of Acacia Coal Limited ("**Acacia**" or the "**Company**") shares (**ASX: AJC**) as at today's date.

As advised in the ASX announcement dated 17 October 2016 and as detailed by the Company in the offer document lodged by the Company with the ASX on 24 October 2016 ("**Offer Document**"), Acacia is undertaking a non-renounceable pro-rata offer ("**Offer**") to Eligible Shareholders (defined below) of ordinary fully paid shares in the Company ("**Shares**") at an issue price of \$0.003 per Share and on the basis of one (1) Share for every two (2) Shares held at 5.00pm (WST) on 27 October 2016 ("**Record Date**").

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

No shareholder approval is required for the Offer.

The Offer Document has been lodged with the ASX and is available on the Company's ASX platform at the ASX website (www.asx.com.au) and on the Company's website (www.acaciacoal.com).

Eligible Shareholders

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at 5.00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand (together the "**Eligible Countries**").

The Offer is not being extended to any Shareholder whose registered address is outside the Eligible Countries ("**Ineligible Shareholder**"). Shareholders not satisfying the above criteria will not be eligible to participate in the Offer.

Underwriting

The Offer is fully underwritten by Argonaut Capital Limited ("**Underwriter**"). The Underwriter will be paid fees of approximately \$90,000 (inc. GST) as an underwriting fee and management fee for the Offer.

The Underwriter has entered into various sub-underwriting agreements pursuant to which the sub-underwriters will sub-underwrite the Underwriter's underwriting commitment. Each of the Directors of the Company (or their nominee) are sub-underwriters of the Offer, as per the following table;

	Sub-underwriting Commitment Shares	Potential sub-underwriting fee
Adam Santa Maria	8,333,333	\$500
Logan Robertson	33,333,333	\$2,000
Brett Lawrence	25,000,000	\$1,500
Total	66,666,666	\$4,000

Effect of the Offer and Use of Funds

The Company currently has 903,787,924 shares on issue as at 21 October 2016.

The Offer will raise approximately \$1.56 million (before payment of the costs associated with the Offer).

Funds raised from the Offer will be used for costs of the Offer and the costs associated with due diligence on and advancement of the Riversdale Anthracite Colliery (RAC), a premier anthracite project in South Africa;

- (a) subject to the Company proceeding with the acquisition of the RAC, additional planned expenditure on the RAC;
- (b) planned expenditure on the Company's Comet Ridge Coal Project; and
- (c) general working capital purposes.

Timetable

The proposed timetable of the Offer is as follows:

Lodgement of Offer Document, Appendix 3B and s708AA notice	24 October 2016
Notice to Shareholders	25 October 2016
Existing Shares quoted on an "ex" basis	26 October 2016
Record Date	27 October 2016
Rights Issue Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	31 October 2016
Closing Date	11 November 2016
Securities quoted on a deferred settlement basis	14 November 2016
Company to notify ASX of under subscriptions (if any)	16 November 2016
Anticipated date for the issue of the Shares and sending of security holder statements	18 November 2016
Deferred settlement trading ends	18 November 2016

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion (in consultation with the Underwriter). Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

Other

The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.

A copy of the Offer Document and a personalised Entitlement and Acceptance Form will be sent to Eligible Shareholders on 31 October 2016.

You are encouraged to read the Offer Document in full before making a decision in respect of the Offer. If you wish to participate in the Offer, you should follow the directions in the Entitlement and Acceptance Form.

This letter is to inform you of the Offer. You are not required to do anything in respect to this letter.

The Directors of Acacia recommend that if you are in doubt as to the value of the Offer then you should contact your financial advisor.

For further information on the Offer see the Offer Document available at www.acaciacoal.com or contact the Company Secretary on +61 8 9389 2000 between 8:30am and 5:00pm WST (Monday to Friday).

Yours Sincerely



Rachel Kerr
Company Secretary



24 October 2016

Dear Shareholder

Notice to Ineligible Shareholders of Non-Renounceable Pro Rata Offer

We write to you as the registered holder of Acacia Coal Limited ("**Acacia**" or the "**Company**") shares (**ASX: AJC**) as at today's date whose registered address is outside of Australia and New Zealand.

As advised in the ASX announcement dated 17 October 2016 and as detailed by the Company in the offer document lodged by the Company with the ASX on 24 October 2016 ("**Offer Document**"), Acacia is undertaking a non-renounceable pro-rata offer ("**Offer**") to Eligible Shareholders (defined below) of ordinary fully paid shares in the Company ("**Shares**") at an issue price of \$0.003 per Share and on the basis of one (1) Share for every two (2) Shares held at 5.00pm (WST) on 27 October 2016 ("**Record Date**").

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

No shareholder approval is required for the Offer.

The Offer Document has been lodged with the ASX and is available on the Company's ASX platform at the ASX website (www.asx.com.au) and on the Company's website (www.acaciacoal.com).

Eligible Shareholders

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at 5.00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand (together the "**Eligible Countries**").

The Offer is not being extended to any Shareholder whose registered address is outside the Eligible Countries ("**Ineligible Shareholder**"). Shareholders not satisfying the above criteria will not be eligible to participate in the Offer.

Underwriting

The Offer is fully underwritten by Argonaut Capital Limited ("**Underwriter**"). The Underwriter will be paid fees of approximately \$90,000 (inc. GST) as an underwriting fee and management fee for the Offer.

The Underwriter has entered into various sub-underwriting agreements pursuant to which the sub-underwriters will sub-underwrite the Underwriter's underwriting commitment. Each of the Directors of the Company (or their nominee) are sub-underwriters of the Offer, as per the following table;

	Sub-underwriting Commitment Shares	Potential sub-underwriting fee
Adam Santa Maria	8,333,333	\$500
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Brett Lawrence	25,000,000	\$1,500
Total	66,666,666	\$4,000

Effect of the Offer and Use of Funds

The Company currently has 903,787,924 shares on issue as at 21 October 2016.

The Offer will raise approximately \$1.56 million (before payment of the costs associated with the Offer).

Funds raised from the Offer will be used for costs of the Offer and the costs associated with due diligence on the Riversdale Anthracite Colliery (RAC), a premier anthracite project in South Africa;

- (a) subject to the Company proceeding with the acquisition of the RAC, planned expenditure on the RAC;
- (b) planned expenditure on the Company's Comet Ridge Coal Project; and
- (c) general working capital purposes.

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Other

The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.

A copy of the Offer Document and a personalised Entitlement and Acceptance Form will be sent to Eligible Shareholders on 31 October 2016.

This letter is to inform you that you are not an Eligible Shareholder for the purposes of the Offer and consequently you will not be able to subscribe for Shares under the Offer. This letter is not an offer to grant Shares to you, nor an invitation to apply for Shares. You are not required to do anything in respect to this letter.

The Company has determined that it would be unreasonable on this occasion to extend the Offer to you as an Ineligible Shareholder having regard to:

- (a) the number of holders in your jurisdiction;
- (b) the number and value of securities the holders in your jurisdiction would be offered; and
- (c) the cost of complying with the legal requirements and the requirements of the regulatory authorities in your jurisdiction.

For further information on the Offer see the Offer Document available at www.acaciacoal.com or contact the Company Secretary on +61 8 9389 2000 between 8:30am and 5:00pm WST (Monday to Friday).

Yours sincerely



Rachel Kerr
Company Secretary