



21 April 2010

Ms Tonia Oliveira
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By facsimile: 08 9221 2020

Dear Tonia

Response to Price and Volume Query

In response to your correspondence dated 21 April 2010 regarding an increase in the Company's share price and in the volume of trading in the securities, the Company's response is as follows:

1. In accordance with the Company's previously announced strategy of pursuing new opportunities in the resources sector, the Company notes that it is at an advanced stage in relation to the acquisition of certain mineral interests in West Africa. However, fundamental to completing and announcing the transaction is the title to the mineral interests, which the Company has not been able to determine at this stage. Given the current status of the transaction, the Company not in a position to make an announcement and does not believe that the above could be an explanation for recent trading in the securities of the Company.
2. The Company is not in a position to make an announcement on the potential acquisition of the mineral interests until such time as title to the mineral interests can be determined and all contractual arrangements are finalised.
3. The Company has no explanation as to why there has been an increase in the price and volume of trading in the securities of the Company. However, as previously advised to the market, the Company is continuing its efforts on the identification and acquisition of advanced resource projects and as and when acquisitions are completed the Company will make appropriate announcements.
4. The Company confirms that it is in compliance with the listing rules, in particular, Listing Rule 3.1.

Yours faithfully

MARK PEARCE
Company Secretary



ASX Markets Supervision Pty Ltd
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2 The Esplanade
Perth WA 6000

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Perth WA 6840

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21 April 2010

Mr Mark Pearce
Company Secretary
Equatorial Coal Limited
Level 9, BGC Centre
28 The Esplanade
PERTH WA 6000

Sent by email

Dear Mark

Equatorial Coal Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on Tuesday 20 April 2010 of 3.3 cents to an intra-day high today, Wednesday 21 April 2010 of 4.8 cents. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email to tonia.oliveira@asx.com.au or by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 11.30 am (W.S.T.) today, Wednesday 20 April 2010.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Tonia Oliveira

Adviser, Issuers (Perth)

Direct Line: (08) 9224 0029