



ALLEGIANCE COAL
LIMITED

Investor Presentation

26 July 2011

Competent Person

The exploration information in this presentation is based on information compiled by Mr Colin Randall who is a Fellow of The Australasian Institute of Mining and Metallurgy and Managing Director of Allegiance Coal. Mr Randall has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Randall consents to the inclusion in this presentation of the matters based on his information in the form and the context in which it appears.

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Company Overview



Substantial and strategic portfolio of Queensland coal tenements

- 12 Granted exploration tenements
- Exploration within known coal to frontier exploration areas including major producing areas of the Bowen, Surat and Moreton Basins

Three leading projects

- Back Creek - open cut thermal in the Surat Basin with an exploration target of up to 80Mt
- Kilmain – potential for both open cut and underground low ash thermal coal in the Bowen Basin
 - Adjacent to tenements (both up and down-dip) containing identified open cut coal deposits
- Mintoivale – potential for shallow open cut thermal in the Clarence-Moreton Basin
 - Extensive historical drilling and coal quality data

Proximity to export infrastructure

- Three lead projects close to existing and planned rail infrastructure connecting to the export ports

Company Overview



Aggressive drilling program planned to define resources

- Drilling commenced in July 2011

High calibre Board and Management with proven track record

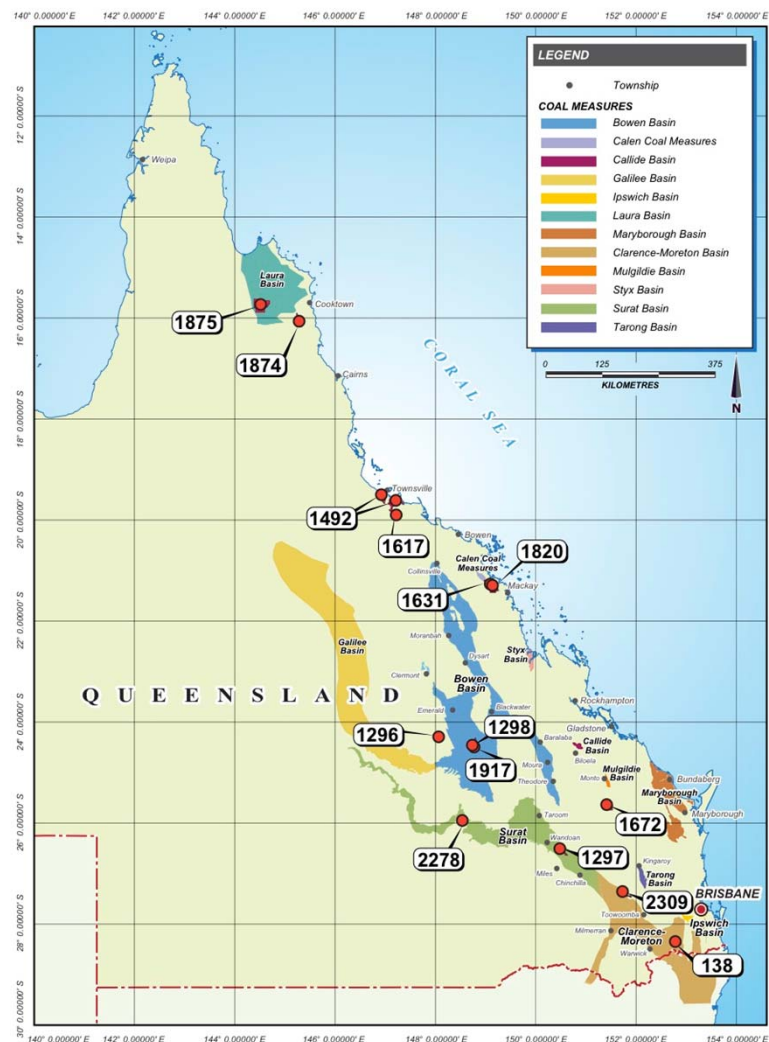
- Led by Colin Randall – 40 years experience in coal industry
- Board includes former Chairman and former CEO of Allegiance Mining NL, which discovered and built the Avebury nickel mine (acquired by Zinifex for \$860 million)

Current shareholding structure

- Gullewa Limited (ASX: GUL) – 80%, C Randall & Associates Pty Ltd – 20%

IPO planned for 2nd half 2011

Our Projects



Project Name	Basin	Tenement No.
Back Creek	Surat	EPC 1297
Kilmain	Bowen	EPC 1298
		EPC 1917
Mintovale	Moreton	MDL 138
Calen	Calen	EPC 1631
		EPC 1820
Lochaber	Mulgildie	EPC 1672
Connemarra	Bowen	EPC 1296
Townsville	Northern Bowen	EPC 1492
		EPC 1617
Normanby	Hodgkinson	EPC 1874
Pinetree	Laura	EPC 1875
Cedar Creek	Surat	EPCA 2278
Mobs Creek	Surat	EPCA 2309

Board of Directors



<p>Tony Howland-Rose Chairman</p>	<ul style="list-style-type: none"> ▪ 48 Years experience in exploration, discovery, development and corporate activity worldwide ▪ As Chairman of Allegiance Mining NL, together with David Deitz presided over the discovery, drill out, finance and building of the Avebury nickel mine - Allegiance Mining was taken over by Zinifex Limited in 2008 for approximately \$860 million ▪ Chairman of Gullewa Limited
<p>Colin Randall Managing Director</p>	<ul style="list-style-type: none"> ▪ Mining engineer with 40 years experience in the operating, exploring, developing and financing of coal mines in NSW and Queensland ▪ Former Chairman and major shareholder of Comet Coal & Coke, which was sold to Stanmore Coal ▪ Founding director and shareholder in Mineral & Coal Investments Pty Ltd
<p>David Deitz Non-Executive Director</p>	<ul style="list-style-type: none"> ▪ David joined Allegiance Mining NL in 1996 and as Chief Financial Officer was part of the team that discovered and brought into production the Avebury nickel mine in Tasmania ▪ Current CEO of Gullewa Limited, which has exploration interests in gold, copper, iron ore and coal in Queensland, WA and NSW
<p>Peter Donkin Non-Executive Director</p>	<ul style="list-style-type: none"> ▪ 28 Years experience in investment banking with primary focus on the resources and mining sector ▪ Completed his career in investment banking as Managing Director of the Mining Finance Division of Societe Generale in Australia having been with the firm for 21 years ▪ Currently a director of Paladin Energy Ltd and was previously Director of Sphere Minerals Ltd

Overview of the Company's Projects



- Identification and development of coking, PCI coal and thermal coal deposits within the coal bearing regions of Queensland
- Substantial exploration portfolio within nearly all Queensland's coal provinces including the world-class Bowen and Surat Basins
 - Bowen Basin is a major supplier of some of the world's best coking and PCI coals
 - both the Bowen and Surat coal provinces contain thermal coal suitable for the export market
- 12 granted exploration permits (including one MDL) over 11 project areas and seven exploration permit applications
 - previous exploration work in the 11 project areas has confirmed the potential for the discovery of economic coal deposits
 - whilst some greenfield areas with little previous drilling, the majority of the areas have historic drilling and seismic exploration that demonstrate the presence of coal measures

Overview of the Company's Projects



Three lead projects:

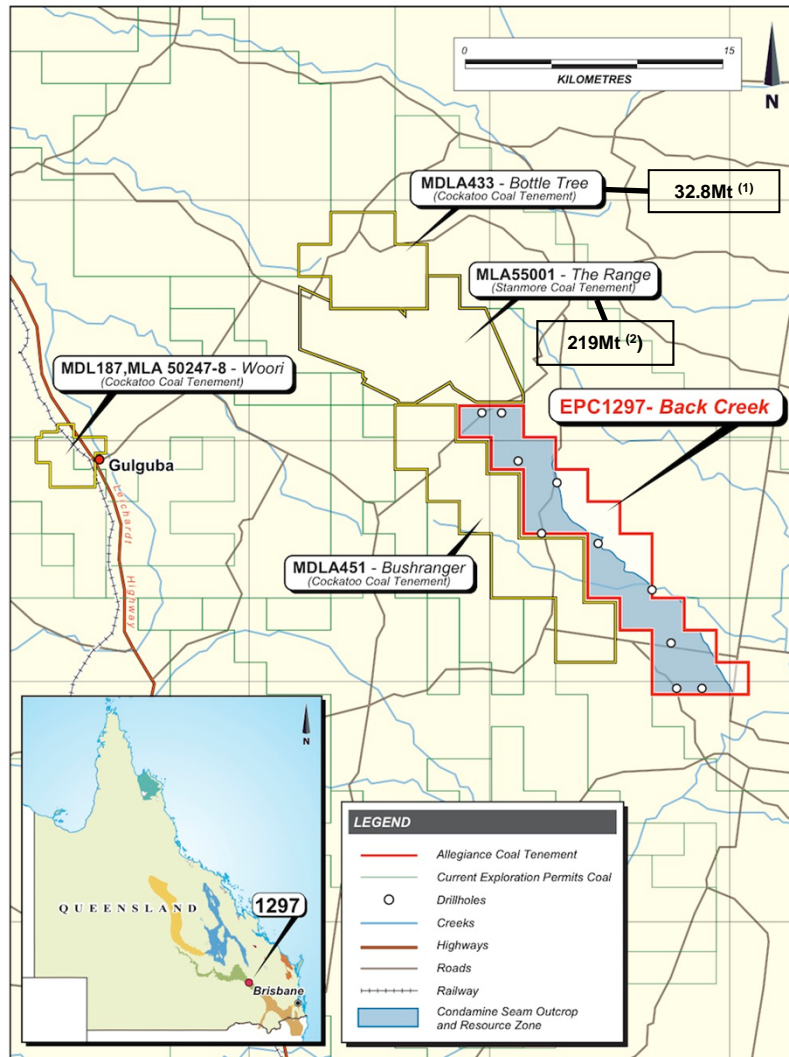
- Back Creek Project (Surat Basin) - identified exploration target of up to 80Mt of low ratio open cut mineable export low ash thermal coal
 - adjacent to and along strike from tenements containing identified JORC Inferred Resources
 - further progress on the southern “missing link” rail connection between Wandoan and Biloela provides further impetus to the exploration of this highly prospective area
 - Drilling commenced in July 2011
- The Kilmain Project (Bowen Basin) - potential open cut/underground coking coal, PCI and/or low ash thermal coal in an area some 15km west of the existing Rolleston rail line
 - project immediately adjoins and is down dip from South Togara, the 2.015Bt deposit drilled by BHP and converted to an MDL
 - Kilmain adjoins on the west the Arcturus project being developed by Bandanna Coal, which has an identified resource of 206Mt
- Mintovale Project (MDL 138, approx. 87km south west of Brisbane) - prospective for low stripping ratio thermal coal suitable for the export and domestic thermal coal markets

Project Details



Project Name	Basin	Tenement No.	Number of Sub Blocks	Surface Area km ²	Application Date	Grant Date	Coal Type	Deposit
Back Creek	Surat	EPC 1297	20	68		22 Mar 2010	Thermal	Open cut
Kilmain	Bowen	EPC 1298	16	50		7 Apr 2009	Coking/thermal	Open cut/Underground
		EPC 1917	2	6		22 Mar 2010	Coking/thermal	Open cut/Underground
Mintovale	Moreton	MDL 138	n/a	244ha		22 Mar 2010	Thermal	Open cut
Calen	Calen	EPC 1631	52	161		5 Nov 2009	PCI	Open cut/Underground
		EPC 1820	17	53		19 Feb 2010	PCI	Open cut/Underground
Lochaber	Mulgildie	EPC 1672	47	146		18 Dec 2009	Thermal	Open cut
Connemarra	Bowen	EPC 1296	40	138		7 Apr 2009	Thermal	Open cut
Townsville	Northern Bowen	EPC 1492	152	494		21 May 2010	Coking/thermal	Open cut/Underground
		EPC 1617	65	202		6 Aug 2009	Coking/thermal	Open cut/Underground
Normanby	Hodgkinson	EPC 1874	86	267		19 Apr 2011	Low vol PCI	Open cut
Pinetree	Laura	EPC 1875	217	670		19 Apr 2011	Low vol PCI/thermal	Open cut
Cedar Creek	Surat	EPCA 2278	12	36	26 Nov 2010		Thermal	Open cut
Mobs Creek	Surat	EPCA 2309	28	96	4 Jan 2011		Thermal	Open cut
TOTAL			754	2,389				

Back Creek Project



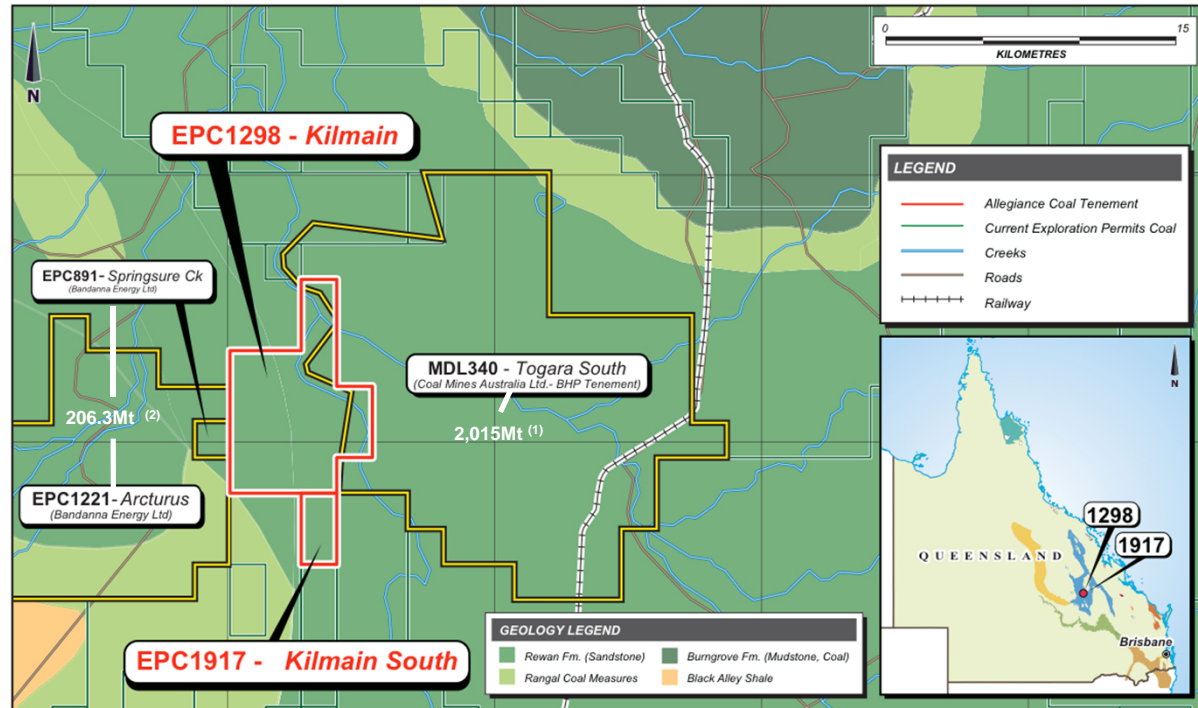
Key Features

- Drilling programme to enable reporting of JORC Inferred Resource commenced in July 2011. Phase 1 is 15 open holes in the northern portion of the tenement
- Runge independent geologist report has identified a target of up to 80Mt at an average strip ratio less than 10:1
- Low ratio, open cut mineable low ash thermal coal
- Along strike from Cockatoo Coal's Bottle Tree Deposit (MDLA 433) containing 32.8Mt JORC Inferred Resource ⁽¹⁾
- Adjoins Stanmore Coal's The Range project (MLA 55001) where current drilling has proven a JORC Inferred Resource of 219Mt ⁽²⁾
- Back Creek is up dip from Cockatoo Coal's Bushranger project MDLA 451
- Drilling of holes to a max of 120m required with average depth 80m
- Access to rail should improve upon completion of the planned Surat Basin Railway connection

Kilmain Project

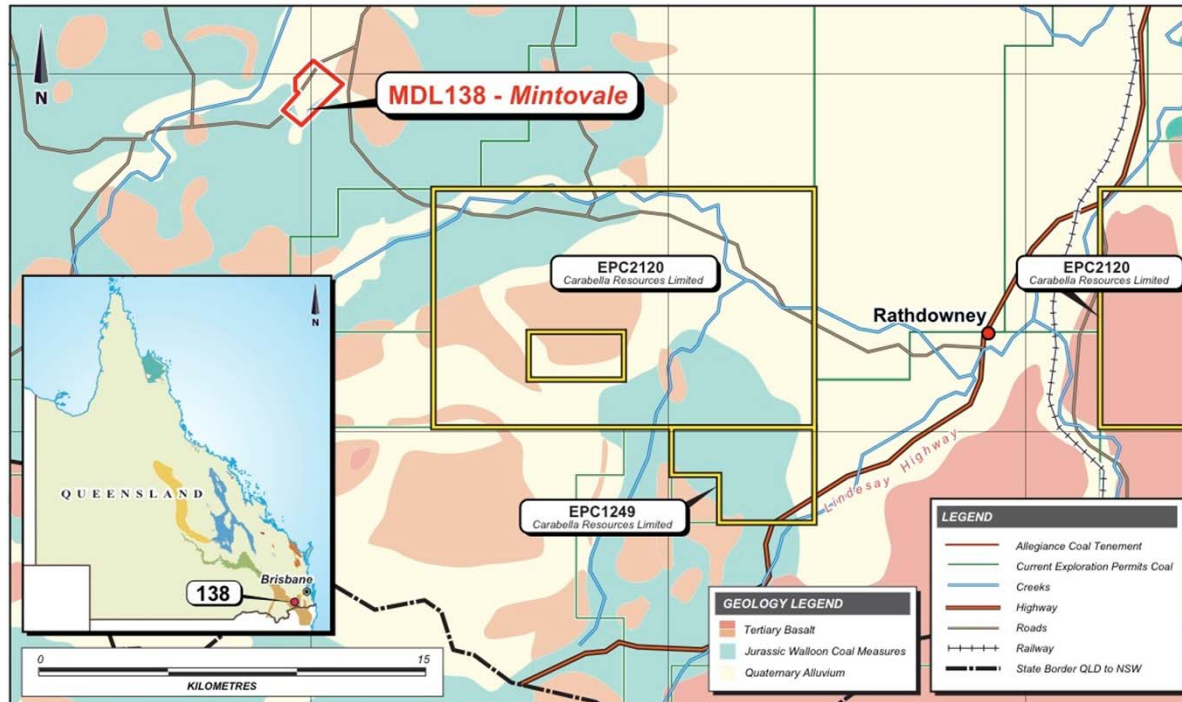
Key Features

- Potential 100Mt target
- Presence of Rangal coal measures and potential for Pollux Seam up to 3m thick
- Adjacent and down dip of the Togara South deposit drilled out by BHP and converted to an MDL ⁽¹⁾
- Togara South MDL 340 contains total resources of 2,015Mt :
 - 317Mt Measured Resources
 - 639Mt Indicated Resources
 - 1,059Mt Inferred Resources
- Exploration by BHP right up to the boundary



- Kilmain Project also adjacent to Bandanna Coal's EPC 1221 & EPC 891 Arcturus Project in the west, where planned open cut and underground JORC resources in the Rangal seams are 206.3Mt ⁽²⁾
- There is potential in the south west corner for shallow coal contained within the Aries Seam
- Planned drilling program to enable reporting of JORC Inferred Resources
- Drilling up to 120m for open cut resources
- Drilling in the range of 250m to 400m depth required to test Rangal seams in the potential underground area
- Rolleston rail line 15km to the east

Mintovale Project



Potential for early development

- MCI subsidiary Echidna Coal acquired Moreton Coal Pty Ltd in December 2010
- Moreton Coal's sole asset is the tenement MDL 138, within which contains the Mintovale Project

Key Features

- Potential shallow open cut mine
- Coal seam with up to 20 coal plies (up to 7.5m cumulative coal) suitable for selective mining
- Extensively drilled deposit included some cored holes with quality data
- Targeting 5Mt with strip ratio less than 8:1
- Drilling program to enable reporting of JORC Measured Resources planned

Strategy For Development



- Planned exploration expenditure of up to \$6 million over the next two years:
 - drill and assess its existing EPCs and MDL with the aim of establishing JORC compliant resources/reserves
 - priority to prove up as soon as possible JORC resources at Back Creek and Kilmain and a JORC reserve at the advanced Mintovale Project, so as to provide the basis to take these projects forward to production
 - exploration in Greenfield areas will continue so as to provide the opportunity to discover economic coal deposits in areas not previously well explored
- A drill rig manned by an experienced drill crew has been contracted for the sole use of Allegiance Coal
 - drilling commenced in July 2011
 - geographical spread of tenement portfolio and in certain cases high topography should mitigate weather impacts on the exploration program and enable drilling to be continuous
- Allegiance Coal will also look to complement and diversify the Company's existing portfolio through application for, and acquisition of, additional coal assets

Exploration Program for 2011/2012



Back Creek

- Commencement of drilling in July 2011 with planned five cored holes to establish coal quality
- Delivery of initial coal core to laboratory in August 2011
- Commencement of 2km centre open hole drilling (approx. 20 holes) late July 2011
- Commencement of 1km in-fill open hole drilling (approx. 30 holes) mid September 2011
- Initial coal quality data received November 2011
- Complete drilling with additional three cored holes late November 2011
- Reporting of JORC Inferred Resources early January 2012
- After end of wet season in April 2012 commence in-fill drilling to bring to Measured resources basis
- Reporting of measured resources in July 2012

Kilmain

- Commencement of drilling late October 2011
- Complete holes in eastern part to establish seam thickness within underground area mid-November 2011
- Cored hole at Kilmain and send cores away for analysis late November 2011
- Coal quality results February 2012

Mintovale

- Utilising existing data - complete geological model and report JORC Resources August 2011
- Commence land access discussions in September 2011
- Commence additional drilling to bring to JORC Measured Resources late November 2011
- Complete drilling late December 2011
- Geological modeling in January 2012
- Reporting JORC Measured Resources in February 2012

Other tenements - program will involve GIS mapping, site inspections, sampling and coal analysis of outcropping coal (e.g. Calen, Pinetree and Normanby). During the wet season the drill will be deployed to dry areas e.g. Townsville.

Conclusion



Extensive Tenement holdings throughout Queensland

- Portfolio of approximately 2,389km² of highly prospective exploration tenements within Queensland's coal regions.

Three lead projects

- Exploration to concentrate on the three lead projects, Back Creek, Kilmain and Mintoale.
- Back Creek in the Surat Basin has a target of up to 80Mt of low ash thermal coal from open cut
- Kilmain in the Bowen Basin has a target of 100Mt of coking/low ash thermal and PCI coal from open cut/underground.
- Mintoale (a Mineral Development Licence) in the Moreton Basin is prospective for low stripping ratio thermal coal with target of 5Mt at strip ratio less than 8:1

Experienced Board and Management

- Board has extensive experience in exploration and mine development
- Experienced executive team with extensive coal exploration, coal mine development, coal mining and commercial experience.

Continuing assessment of new opportunities

- Identification of logical acquisitions as well application for areas newly released.

Additional Information

Key Staff and Management



<p>Graham Hurwitz Company Secretary Chief Financial Officer</p>	<ul style="list-style-type: none"> ▪ Chartered Accountant with over 30 years experience in areas of taxation, business services and sales ▪ Currently director of Chartered Accountancy firm Hurwitz Geller Pty Limited ▪ Former Chief Financial Officer for Allegiance Mining NL
<p>Justine Murray Commercial Manager</p>	<ul style="list-style-type: none"> ▪ Experienced commercial manager and CPA certified accountant with extensive experience in coal exploration, tenement sales and tenement acquisitions in both Queensland and NSW ▪ Over the last five years has coordinated tenement management and accounting functions for coal exploration companies including Cockatoo Coal, Curlewis Coal and Coke, Comet Coal and Coke and currently Mineral & Coal Investments
<p>David Dempster Exploration Manager</p>	<ul style="list-style-type: none"> ▪ Experienced geologist with over 40 years of extensive field experience in drilling and geological assessment throughout Queensland ▪ Has recently directed coal exploration activities for Burgowan Coal near Bundaberg and Comet Coal & Coke in the Bowen and Surat Basins. ▪ As exploration manager for Mineral & Coal Investments has directed field operations at Connemarra, Kilmain and Townsville tenements.
<p>Shaun Tamplin Consultant Geologist</p>	<ul style="list-style-type: none"> ▪ Principal consultant geologist for Tamplin Resources and has 17 years experience in coal geology, coal quality, resource modelling and reporting, mine planning and geotechnical assessments. ▪ As geological consultant to Mineral & Coal Investments has undertaken geological assessments of existing, and proposed tenements while in conjunction with David Dempster has designed the drilling programs and budgets
<p>Brian Lyne Senior Site Executive</p>	<ul style="list-style-type: none"> ▪ Formerly the Chief Inspector of Coal Mines in Queensland for 17 years ▪ Mining engineer and qualified mine manager with over 40 years experience in coal ▪ As Senior Site Executive has in conjunction with management developed the company's Health, Safety and Environmental Management Scheme.

Tenement Applications

Competing Applications

- EPCA 2251 – Sandy Creek – lodged 1 November 2010
- EPCA 2182 – Dingo – lodged 1 December 2010
- EPCA 2374 – Mt. Marrow – lodged 1 March 2011
- EPCA 2474 – Palmeria – lodged 1 April 2011
- EPCA 2592 – Corsia – lodged 1 June 2011
- EPCA 2634 – Galium – lodged 1 July 2011
- EPCA 2644 – Mayaca – lodged 1 July 2011

Secondary Applications

- EPCA 2132 – North Texas – Lodged 4 January 2010