

ENDOCOAL LIMITED ANNOUNCES A RECOMMENDED CASH OFFER FROM U&D MINING OF A\$0.38 PER SHARE FOR 100% OF ENDOCOAL'S SHARE CAPITAL THROUGH A SCHEME OF ARRANGEMENT

29 October 2012

Highlights

- ✓ **Endocoal has entered into a Scheme Implementation Agreement with U&D Mining Industry (Australia) Pty Ltd for the acquisition of 100% of the issued shares in Endocoal.**
- ✓ **Shareholders to receive A\$0.38 all cash consideration per share on successful completion.**
- ✓ **Cash consideration represents a 70.6% premium to 1 month VWAP.**
- ✓ **Crystallises value for all Shareholders in a challenging market.**
- ✓ **U&D has also provided a A\$4,000,000 loan to Endocoal, relieving the need for Endocoal to raise additional new equity prior to scheme implementation.**
- ✓ **Endocoal's Board of Directors unanimously recommends that all Endocoal shareholders vote in favour of the scheme in the absence of a superior proposal and subject to the Independent Expert concluding the scheme is in the best interests of shareholders.**

Offer Summary

Endocoal Limited (ASX: EOC, "Endocoal") is pleased to announce that it has entered into a Scheme Implementation Agreement ("SIA") with U&D Mining Industry (Australia) Pty Ltd ("U&D"), under which U&D would acquire all of the ordinary shares in Endocoal by way of Scheme of Arrangement ("Scheme"), subject to shareholder and regulatory approvals and in the absence of a superior proposal.

Under the terms of the Scheme, Endocoal shareholders ("Shareholders") will receive cash consideration of A\$0.38 ("Cash Consideration") per Endocoal Share, valuing Endocoal equity at approximately A\$71,000,000.

The Cash Consideration of A\$0.38 per Endocoal share represents an attractive premium for Endocoal shareholders on a range of measures:

- a 65.2% premium to Endocoal's closing share price of \$0.23 on 26 October 2012;
- a 70.6% premium to the one month VWAP to 26 October 2012 of A\$0.223; and
- a 62.8% premium to the three month VWAP to 26 October 2012 of A\$0.233.

The Scheme provides Shareholders with an opportunity to realise higher than current market value for their Shares in the form of cash in a volatile and uncertain market, particularly for coal.

The Scheme is not conditional on U&D securing financing for the acquisition.

The Directors of Endocoal have carefully evaluated U&D's Scheme. The Directors unanimously recommend that Shareholders approve the Scheme in the absence of a superior proposal and subject to Endocoal's independent expert concluding that the Scheme is in the best interests of Endocoal Shareholders.

Subject to the above qualifications, all Endocoal Directors intend to vote the voting rights attached to all Endocoal shares over which they have control in favour of the Shareholder vote to implement the Scheme.

Completion of the transaction is subject to a number of conditions including the approval by regulatory authorities in Australia and the People's Republic of China ("PRC") as well as approval by Endocoal shareholders.

An Explanatory Memorandum containing information relating to the Scheme and the reasons for the Directors recommendation of the Scheme is expected to be dispatched to Endocoal shareholders in early 2013. Endocoal's shareholder meeting to approve the scheme of arrangement is expected to be held in late Q1 2013.

About U&D

U&D Mining Industry (Australia) Pty Ltd is a joint venture between Australia Kunqian International Energy Co., Pty Ltd ("KE"), a wholly owned subsidiary of China Yima Coal Group ("Yima") and Daton Group Australia Ltd ("Daton"), an ASX listed (ASX: DTG) fertiliser manufacturer based in Brisbane, Australia..

U&D has been established as the investment vehicle of Yima to make investments in the coal sector in Australia and to pursue its international strategy by participating in coal trading and the development, production, and operation of Australian coal mines.

In February this year, U&D completed the acquisition of EPC 818, a prospective coal exploration tenement in the Isaac Region of Queensland. Following the completion of that transaction U&D has undertaken an extensive process evaluating other opportunities in Australia, with a focus on the Bowen Basin.

Yima sees Australia as an important supplier of coal and pivotal to its international strategy. This transaction demonstrates the conviction of its strategy to establish its coal operations in Australia.

Financial Support

Simultaneously with the SIA, Endocoal has entered into a 12 month Loan Facility Agreement ("Loan Facility Agreement") with U&D to provide interim debt funding of A\$4,000,000 ("Loan Facility"). Funds from the Loan Facility will be used to meet working capital requirements and continue to progress Endocoal towards receipt of a Mining Lease for the Meteor Downs South Project.

Should the Scheme not proceed in accordance with the terms of the SIA as a result of either U&D breaching the SIA or the failure to obtain the PRC regulatory approvals within the time period specified in the SIA, then the term of the facility will be extended by a period of six months and the interest rate will be reduced. However, should the Board recommend a superior proposal the Loan Facility will become payable within 30 days and if the Scheme is voted down by Shareholders it will be payable within 60 days. If FIRB approval for the grant of security by Endocoal in favour of U&D under the Loan Facility Agreement is not received within 40 days of the date the application for approval is lodged with FIRB by U&D, U&D may elect to reduce the Loan Facility, in which case either party may then terminate the SIA.

Comments from the Interim Chairman

Interim Chairman of Endocoal, Mr Rodney Austin said:

“The proposed Scheme is an important milestone for Endocoal’s shareholders. The Company has faced an increasingly challenging operating environment given recent global financial uncertainty and pull back in funding available to junior resources companies.

“The U&D Scheme is the culmination of Endocoal’s announced process of 28 May 2012 conducted by Macquarie Capital as its corporate adviser to review all asset and corporate transaction opportunities. A number of proposals were received from a number of parties across a wide range of corporate and asset level transactions. After a due and competitive process the Board considered the U&D transaction to be the transaction that provided the most value for shareholders.

“The U&D offer allows shareholders to receive a significant value premium to recent trading levels and benefit from the certainty of cash consideration.

“Both Endocoal and U&D recognise that the Offer is subject to a range of regulatory and shareholder approvals in Australia and China and, fully respecting those processes, both companies will work constructively with authorities to ensure that these are secured. This will continue on from the work both Endocoal and U&D have undertaken to date that has culminated in this transaction which delivers significant benefit to both companies.

“U&D’s acquisition of EPC 818 in February 2012 validates a successful track record for executing transactions in Australia. Further, U&D have demonstrated willingness to accommodate the interim funding needs of Endocoal by providing the Company with an attractive loan facility in good faith.”

Key conditions

A copy of the SIA executed on 26 October 2012 accompanies this announcement (Attachment A). The SIA sets out the terms and conditions upon which Endocoal and U&D will now proceed to implement the proposed Scheme.

Key conditions contained within the SIA between Endocoal and U&D include:

- The requirement for Foreign Investment Review Board (“FIRB”) approval;
- The requirement for PRC Government approvals, including the State-owned Assets Supervision and Administration Commission (“SASAC”), State Administration of Foreign Exchange (“SAFE”), Ministry of Commerce (“MOFCOM”) and National Development and Reform Commission (“NDRC”);
- The independent expert concludes that the Scheme is in the best interest of shareholders;
- Holders of 50% of all options and share rights (in aggregate) accepting the offer to acquire their securities in Endocoal;
- No prescribed occurrences;
- No material adverse changes impacting Endocoal’s business (such that its business is unable to be carried on in substantially the same manner as carried on at the date of the SIA) or Endocoal’s rights or ability to economically exploit any of its material mining tenements;
- No fall in the S&P/ASX 200 Index from the announcement date by more than 20% for more than 4 consecutive days;
- Endocoal shareholder approval; and lastly
- Supreme Court approval of the Scheme.

The U&D proposal is not conditional on its securing finance or new equity.

The SIA includes standard exclusivity provisions including an undertaking by Endocoal not to solicit or participate in any discussions or negotiations in relation to any competing proposal, although this obligation will not prevent Endocoal from responding to an unsolicited superior proposal (as defined in the SIA) subject to a right for U&D to match any such competing proposal. The parties have agreed that a break fee equal to 1% of the Scheme consideration will be payable by Endocoal to U&D in certain circumstances, including in the event that a competing proposal is successful.

The SIA may be terminated by either party in certain circumstances. If there is a material breach of the SIA, it may be terminated by the party not in breach. The SIA may also be terminated by Endocoal if the Scheme does not become effective by 26 April 2013 as a result of a delay in relevant PRC Government Approvals (subject to certain time extensions that may be granted by Endocoal).

Indicative timetable

Subject to the timely receipt of necessary approvals, Endocoal expects the transaction to be completed by March 2013. The indicative timetable for implementation of the proposed Scheme is set out below.

Date	Item
Late 2012	Satisfaction of Australian regulatory approvals
January 2013	First Court Date to convene the Scheme meeting
Late January 2013	Explanatory Memorandum dispatched to Endocoal Shareholders
February 2013	Final PRC regulatory approvals obtained
Late February 2013	Endocoal Shareholder meeting to approve Scheme
Early March 2013	Second Court Date to approve the Scheme Scheme becomes effective
Mid March 2013	Endocoal Shareholders receive consideration of A\$0.38 cash per Endocoal share

Advisers

Macquarie Capital is acting as financial adviser and Gilbert and Tobin is acting as legal adviser to Endocoal.

Minter Ellison is acting as legal adviser to U&D.

For further enquiries please contact: *Tim Hedley, CEO & Managing Director* Tel: +61 417 771 198

About Endocoal

Endocoal is an Australian public company focused on exploration of coal tenements and mine development in the Bowen Basin, Queensland's premier coal producing region. Endocoal currently holds JORC Marketable Reserves of 13Mt and total JORC Resources of 498Mt. The Company is proceeding to develop an export-quality thermal coal open cut mine at its flagship Orion Downs tenement, positioned close to existing infrastructure. Endocoal has several other tenements in the Bowen Basin region. These will be the subject of future exploration and drilling activities. Near-term priority will focus on Rockwood tenement with anthracite coal prospective for PCI coal; plus greenfield Talwood and Stockyard Creek Project tenements where scout drilling has commenced seeking coking coal. At both locations, coal seams have been intersected and are being evaluated. At Pretoria Hill an exploration program with joint venture partner Carabella Resources (CLR) is being planned. Elsewhere, tenement applications will target other locations identified as being potentially prospective for coal exploration.

Endocoal Limited

ACN 132 183 281

ASX CODE: EOC

Securities Information

Ordinary Fully Paid Shares: 186.9m

Unlisted Options & Rights: 21.6m

Directors & Management**Rod Austin**

Interim Chairman

Tim Hedley

CEO & Managing Director

Phillip McCarthy

Non-Executive Director

Lex Hansen

Non-Executive Director

Gavin Solomon

Non-Executive Director



LAWYERS

Scheme Implementation Agreement

Endocoal Limited (ACN 132 183 281)
U&D Mining Industry (Australia) Pty Ltd (ACN 152 892 638)

+ SYDNEY + MELBOURNE + PERTH

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Contents

		Page
1	Defined terms and interpretation	1
	1.1 Definitions in the Dictionary	1
	1.2 Interpretation	1
2	Agreement to Proceed with the Scheme	1
	2.1 Target to propose the Scheme	1
	2.2 Bidder to assist	1
3	Conditions Precedent and Pre Implementation Steps	2
	3.1 Conditions Precedent	2
	3.2 Benefit and waiver of Conditions Precedent	3
	3.3 Best endeavours and co-operation	4
	3.4 Regulatory matters	5
	3.5 Notifications	6
	3.6 Failure of Conditions Precedent	6
	3.7 Certificates in relation to Conditions Precedent and warranties	7
4	Scheme	7
	4.1 Outline of Scheme	7
	4.2 Scheme Consideration	8
5	Steps for Implementation	8
	5.1 Target's obligations in respect of the Scheme	8
	5.2 Delay to PRC Regulatory Approvals	11
	5.3 Bidder's obligations in respect of the Scheme	12
	5.4 Preparation of Scheme Booklet	13
	5.5 Responsibility Statement	15
	5.6 Assistance of Representatives	15
	5.7 Target Board changes	15
6	Conduct of Business and Requests for Access	15
	6.1 Conduct of Target business	15

6.2	Ordinary Course of Business	16
6.3	Access to information and co operation	16
7	Target Board Recommendations and Intentions	17
7.1	Target Board recommendation	17
7.2	Exception for Consultation	18
8	Public Announcements and Communications	18
8.1	Required announcements	18
8.2	Agreement on other Communications	19
8.3	Disclosure on termination of this Agreement	19
9	Warranties	19
9.1	Warranties by Bidder	19
9.2	Warranties by Target	20
9.3	Reliance by parties	22
9.4	Notifications	22
9.5	Status of warranties	23
10	Exclusivity	23
10.1	No shop restriction	23
10.2	No talk restriction	23
10.3	Notification by Target	23
10.4	Normal provision of information	24
10.5	Acknowledgement	25
11	Break Fee	25
11.1	Payment of costs	25
11.2	Break Fee	25
11.3	Compliance with law	26
11.4	Time for payment	26
11.5	Target limitation of liability	27
12	Termination	27
12.1	Termination by either party	27

12.2	Termination by Bidder	27
12.3	Termination by Target	28
12.4	Notice requirement	28
12.5	Effect of termination	28
13	Goods and Services Tax	28
13.1	Definitions	28
13.2	GST	29
14	Releases	29
14.1	Release by Bidder	29
14.2	Release by Target	29
14.3	Benefit	29
15	Miscellaneous	30
15.1	Negotiation of Scheme Transaction Documents	30
15.2	Notices	30
15.3	No agency or partnership	31
15.4	Entire agreement	31
15.5	Amendment	31
15.6	Assignment	31
15.7	No waiver	31
15.8	Remedies cumulative	31
15.9	Further assurances	31
15.10	No merger	31
15.11	Costs and stamp duty	32
15.12	Severability of provisions	32
15.13	Governing law and jurisdiction	32
15.14	Counterparts	32
Schedule 1	— Dictionary	33
Schedule 2	— Timetable	45
Schedule 3	— Responsibility Statements	46

Schedule 4 — Target Option Consideration and Target Share Rights Consideration	47
Target Option Consideration	47
Execution page	48
Attachment A - Scheme	
Attachment B - Bidder Deed Poll	
Attachment C - Kunqian Deed Poll	
Attachment D - Due Diligence Materials	

Date:

Parties

- 1 **Endocoal Limited (ACN 132 183 281)** of Suite 2, 1 Swann Road, Taringa Queensland 4068 (**Target**)
 - 2 **U&D Mining Industry (Australia) Pty Ltd (ACN 152 892 638)** of Suite 30, Level 1, 7 Clunies Ross Court, Eight Mile Plains Queensland 4113 (**Bidder**)
-

Background

- A The Bidder proposes to acquire all of the Scheme Shares pursuant to the Scheme.
- B The Target has agreed to propose the Scheme to the Target Shareholders and to issue the Scheme Booklet to the Target Shareholders and the Bidder and the Target have agreed to implement the Scheme, on and subject to the terms and conditions of this Agreement.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this Agreement.

2 Agreement to Proceed with the Scheme

2.1 Target to propose the Scheme

The Target must propose and implement the Scheme in accordance with Part 5.1 of the Corporations Act on and subject to the terms and conditions of this Agreement, and, subject to clause 5.2, must use its reasonable endeavours to do so as soon as is reasonably practicable and in accordance with the Timetable.

2.2 Bidder to assist

The Bidder must assist the Target to propose and implement the Scheme in accordance with Part 5.1 of the Corporations Act and on and subject to the terms and conditions of

this Agreement, and must use its reasonable endeavours to do so as soon as is reasonably practicable and in accordance with the Timetable.

3 Conditions Precedent and Pre Implementation Steps

3.1 Conditions Precedent

The obligations of the Target under clause 5.1(n) and the Bidder's obligation to pay the Scheme Consideration in accordance with the Bidder Deed Poll and clause 5.3(j) are subject to the satisfaction (or waiver in accordance with clause 3.2) of each of the following Conditions Precedent:

Conditions Precedent for the benefit of Bidder and Target

- (a) **(FIRB Approval)** Before the Scheme Meeting, the Treasurer of the Commonwealth of Australia:
 - (i) **(approval)** gives (either himself or by his delegate) an approval under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) to the proposed acquisition of all of the Target Shares by the Bidder, and that approval is not subject to conditions, or is subject only to conditions that the Bidder, acting reasonably, considers to be acceptable;
 - (ii) **(no objection)** provides (either himself or by his delegate) written advice or confirmation that there is no objection to the proposed acquisition of all of the Target Shares by the Bidder under the FATA or the foreign investment policy of the Australian Government, and that advice or confirmation is not subject to conditions, or is subject only to conditions that the Bidder, acting reasonably, considers to be acceptable; or
 - (iii) **(expiry of notice period)** ceases to be empowered to make any order under Part II of the FATA in respect of the proposed acquisition of the Target Shares by the Bidder;
- (b) **(Independent Expert's Report)** the Independent Expert provides the Independent Expert's Report to the Target, stating that in its opinion the Scheme is in the best interests of the Target Shareholders, and the Independent Expert does not change its opinion or withdraw the Independent Expert's Report by notice in writing to the Target before 8am on the Second Court Date;
- (c) **(Target Shareholder approval)** the Scheme Resolution is approved by the requisite majorities of the Target Shareholders under section 411(4)(a)(ii) of the Corporations Act;
- (d) **(Court approval of Scheme)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act and an office copy of the Scheme Orders is lodged with ASIC as contemplated by section 411(10) of the Corporations Act;
- (e) **(no restraints)** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Governmental Agency of competent jurisdiction, remains in effect as at 8am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Transactions or any Scheme Transaction Document;

Conditions Precedent for the benefit of the Bidder only

- (f) **(PRC Regulatory Approvals)** before the Second Court Date, the Bidder receives all Regulatory Approvals required in connection with the Transactions from the following PRC Governmental Agencies:
 - (i) the Ministry of Commerce of the People's Republic of China;
 - (ii) the National Development and Reform Commission of China;
 - (iii) the State-owned Assets Supervision and Administration Commission; and
 - (iv) the State Administration of Foreign Exchange of China,and those Regulatory Approvals are not withdrawn, cancelled or revoked;
- (g) **(no Target Prescribed Events)** no Target Prescribed Event occurs between the date of this Agreement and 8am on the Second Court Date;
- (h) **(market out)** at no time between the date of this Agreement and 8.00 am on the Second Court Date does:
 - (i) the S&P/ASX 200 Index fall by 20% or more from its level as at the close of trading on the date of this Agreement; and
 - (ii) the S&P/ASX 200 Index remain at or below that level (as determined at the close of trade) for 4 or more consecutive Business Days;
- (i) **(no Material Adverse Change)** no Material Adverse Change occurs between the date of this agreement and 8am on the Second Court Date; and
- (j) **(Target Options and Target Share Rights):** before the Scheme Meeting, Optionholders and Target Share Rights Holders holding in aggregate at least 50% of the total Target Options and Target Share Rights have executed legally binding Option Cancellation Deeds or Share Rights Cancellation Deeds (as the case may be) accounting for the cancellation of those Target Options or Target Share Rights (as the case may be).

3.2 Benefit and waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a) to 3.1(e) are for the benefit of each of the Bidder and the Target, and (except in the cases of the Conditions Precedent in clauses 3.1(a), 3.1(c) and 3.1(d), which cannot be waived) any breach or non fulfilment of any of those Conditions Precedent may only be waived with the written consent of both the Bidder and the Target.
- (b) The Conditions Precedent in clauses 3.1(f) to 3.1(j) (inclusive) are for the sole benefit of the Bidder, and any breach or non-fulfilment of any of those Conditions Precedent may only be waived in writing by the Bidder.
- (c) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 3.2 may do so in its absolute discretion.
- (d) Waiver of a breach or non fulfilment in respect of one Condition Precedent does not constitute:

- (i) a waiver of breach or non fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
- (ii) a waiver of breach or non fulfilment of that Condition Precedent resulting from any other event or circumstance.

3.3 Best endeavours and co-operation

- (a) Without prejudice to any other obligations of the parties under this Agreement:
 - (i) each of the Target and the Bidder must use their respective best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(a), 3.1(d), 3.1(e), 3.1(f), 3.1(i) and 3.1(j) to the extent that it is within their respective control;
 - (ii) the Target must use its best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(b) and 3.1(c); and
 - (iii) neither the Target nor the Bidder will take any action that will or is likely to hinder or prevent the satisfaction of any Condition Precedent, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, the Scheme Transaction Documents, or is required by law.
- (b) For the purposes of clauses 3.3(a)(i) and 3.3(a)(ii), the "best endeavours" of either the Target or the Bidder will require the other to (among other things):
 - (i) observe and comply with clause 8.2;
 - (ii) use its best endeavours to satisfy the relevant Condition Precedent as soon as practicable after the date of this Agreement or ensure the relevant Condition Precedent continues to be satisfied at all times until the last time it is to be satisfied (as the case requires) with a view to the Effective Date occurring on or before the End Date; and
 - (iii) co operate with the other or a Governmental Agency or Third Party in good faith with a view to satisfying the Conditions Precedent, including providing all information reasonably required by the other party in relation to the Bidder Group or the Target Group (as applicable) in order to satisfy the Conditions Precedent and providing all information reasonably required by any Governmental Agency or other Third Party to such Governmental Agency or Third Party as appropriate. For the avoidance of doubt, where the Bidder proposes to disclose any Confidential Information to a Government Agency or Third Party (whether pursuant to a request by a Government Agency or Third Party or otherwise), the Bidder must seek the Target's prior written consent to such disclosure which consent must not be unreasonably withheld or delayed.
- (c) For the purposes of clause 3.3(a)(i) as it applies to the Condition Precedent in clause 3.1(j):
 - (i) the Target will use its reasonable endeavours to procure that each Optionholder and Target Share Rights Holder executes legally binding Option Cancellation Deeds and Share Rights Cancellation Deeds (as the case requires) (which, for the avoidance of doubt, does not involve the Target making any payment, other than the payment of the Option

Consideration and the Target Share Rights Consideration under sub paragraph (iii)(B);

- (ii) the Bidder acknowledges that the Target may have entered into Option Cancellation Deeds and Share Rights Cancellation Deeds (requiring payment of relevant Option Consideration and Target Share Rights Consideration on the Implementation Date), even if the Bidder subsequently waives the Condition Precedent in clause 3.1(j); and
- (iii) the Bidder will, subject to and on the Implementation Date:
 - (A) pay into a trust account (details of which must be notified by the Target to the Bidder on or before the Implementation Date) an amount equal to the Option Consideration plus the Target Share Rights Consideration, in respect of each executed Option Cancellation Deed and Share Rights Cancellation Deed, in Immediately Available Funds, to be held by the Target on trust for the Optionholders and Target Share Rights Holders; and
 - (B) ensure that the Target pays all Option Consideration and Target Share Rights Consideration in accordance with each executed Option Cancellation Deed and Share Rights Cancellation Deed on the Implementation Date.

3.4 Regulatory matters

- (a) Without limiting the Bidder's obligations under clause 3.3:
 - (i) the Bidder must apply for all relevant Regulatory Approvals as soon as practicable, and in any event no later than 7 days, after the date of this Agreement, and must take all steps the Bidder is responsible for as part of the approval process, including but not limited to responding to requests for information at the earliest practicable time; and
 - (ii) the Bidder must provide the Target with regular written updates on the status and any outstanding issues relating to the Regulatory Approvals.
- (b) Subject to paragraph (c), in the event that the Treasurer of the Commonwealth of Australia elects to extend the period within which it will review the request to approve the grant of Security (as defined in the Loan Agreement) under the FATA or the foreign investment policy of the Australian Government beyond 40 days following submission by the Bidder of a request for such approval, and the Bidder has validly issued a Cancellation Notice to the Target under clause 2.4 of the Loan Agreement, either the Target or the Bidder may terminate this Agreement under clause 12.1(b).
- (c) If either the Bidder or the Target becomes aware that the Treasurer of the Commonwealth of Australia may elect to extend the period within which it will review the request to approve the proposed acquisition of all of the Target Shares by the Bidder under the FATA or the foreign investment policy of the Australian Government beyond 40 days following submission by the Bidder of the request for such approval, then the Bidder must use its best endeavours to provide any additional information or assistance required to allow the Treasurer to approve the grant of the proposed acquisition of all of the Target Shares by the Bidder within that 40 day period.

3.5 Notifications

Each of the Target and the Bidder must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent either directly or through its Advisers;
- (b) promptly notify the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify the other party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of being satisfied or that are reasonably likely to result in that Condition Precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under clause 3.3).

3.6 Failure of Conditions Precedent

- (a) If:
 - (i) there is a breach or non-fulfilment of a Condition Precedent that is not waived in accordance with clause 3.2 before the End Date; or
 - (ii) a Condition Precedent becomes incapable of satisfaction, having regard to the obligations of the parties under clause 3.3 (and the breach or non-fulfilment of the Condition Precedent that would otherwise occur has not already been waived),

either party may serve notice on the other party, and the parties must then consult in good faith with a view to determining whether:

- (iii) the Scheme or the Transactions may proceed by way of alternative means or methods and, if so, to agree on the terms of such alternative means or methods;
 - (iv) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (v) to change the date of the application to be made to the Court for orders under the Corporations Act approving the Scheme or to adjourn that application (as applicable) to another date agreed by the parties; or
 - (vi) to extend the End Date.
- (b) If the Bidder and the Target are unable to reach agreement under clauses 3.6(a)(iii), 3.6(a)(iv), 3.6(a)(v) or 3.6(a)(vi) within five Business Days after the delivery of the notice under that clause or any shorter period ending at 5pm on the day before the Second Court Date, a party may terminate this Agreement by notice in writing to the other party, provided that:
 - (i) the Condition Precedent to which the notice relates is for the benefit of the party seeking to terminate the Agreement (whether or not the Condition Precedent is also for the benefit of the other party) or is the Condition Precedent in clause 3.1(f); and

- (ii) there has been no failure by the party seeking to terminate the Agreement to comply with its obligations under this Agreement, where that failure directly and materially contributed to the Condition Precedent to which the notice relates becoming incapable of satisfaction, or being breached or not fulfilled before the End Date,

in which case clause 12.5 will have effect.

3.7 Certificates in relation to Conditions Precedent and warranties

On the Second Court Date:

- (a) the Target must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8am on the Second Court Date:
 - (i) the Conditions Precedent set out in clauses 3.1(b), 3.1(c) 3.1(g), 3.1(i) and 3.1(j) have been satisfied or waived in accordance with this Agreement; and
 - (ii) to the best of the Target 's knowledge after Due Inquiry whether the Condition Precedent set out in clause 3.1(e) has been satisfied or waived in accordance with this Agreement;
- (b) The Bidder must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8am on the Second Court Date:
 - (i) the Conditions Precedent set out in clauses 3.1(a) and 3.1(f) have been satisfied or waived in accordance with this Agreement; and
 - (ii) to the best of the Bidder's knowledge after Due Inquiry whether the Condition Precedent set out in clause 3.1(e) has been satisfied or waived in accordance with this Agreement.
- (c) Each of the Target and the Bidder must also provide to the other by 8am, on the date of the Scheme Meeting, a certificate signed by two directors of that party confirming that as at that time, there is no fact, matter or circumstance known to it after Due Inquiry that constitutes or is reasonably likely to constitute a breach of any of the warranties given by it under clause 9.
- (d) Each party must provide to the other party a draft of the relevant certificates to be provided by it pursuant to this clause 3.7 by 5pm on the day that is two Business Days prior to the date when it is due to be given, and must provide to the other party on the due date the final certificates or a copy of the final certificate or other evidence provided to the Court.

4 Scheme

4.1 Outline of Scheme

- (a) The parties agree that:
 - (i) the Target will propose the Scheme in the form set out in Attachment A, or in such other form as the parties agree in writing (such agreement not to be unreasonably withheld or delayed); and

- (ii) the Scheme, if approved by the Court, will be subject to any alterations or conditions that are made or required by the Court under section 411(6) of the Corporations Act and approved in writing by the Bidder and the Target (such approval not to be unreasonably withheld or delayed).
- (b) Subject to the Scheme becoming Effective, on the Implementation Date the Scheme will be implemented and:
 - (i) all of the Scheme Shares will be transferred to the Bidder in accordance with the terms of the Scheme; and
 - (ii) in consideration for the transfer to the Bidder of all Scheme Shares held by the Scheme Shareholders, the Scheme Shareholders will receive the Scheme Consideration in accordance with clause 4.2, the terms of this Agreement and the terms of the Scheme.

4.2 Scheme Consideration

Subject to the Scheme becoming Effective, the Bidder agrees in favour of the Target that, in consideration of the transfer to the Bidder of each Scheme Share under the Scheme, the Bidder will accept such transfer, and will provide to each Scheme Shareholder \$0.38 in cash for each Scheme Share held by them, in accordance with the terms of the Scheme, by, subject to and in accordance with the terms of the Scheme, paying into a trust account (details of which must be notified by the Target to the Bidder at least 3 Business Days before the Implementation Date) an amount equal to the Scheme Consideration in Immediately Available Funds, to be held by the Target on trust for the Scheme Participants and paid to the Scheme Participants in accordance with the terms of the Scheme.

5 Steps for Implementation

5.1 Target's obligations in respect of the Scheme

Subject to clause 5.2, the Target must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable, and in particular the Target must:

- (a) **(public announcements)** make public announcements on the Announcement Date in accordance with clauses 7 and 8.1(a);
- (b) **(preparation of Scheme Booklet)** promptly prepare the Scheme Booklet in accordance with clause 5.4;
- (c) **(Independent Expert)** promptly appoint the Independent Expert (if the Independent Expert has not been appointed before the date of this Agreement), and promptly provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(liaison with ASIC)** as soon as reasonably practicable after the date of this Agreement but no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and to the Bidder, and (to the extent reasonably practicable) keep the Bidder reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those

matters), and use its best endeavours, in co operation with the Bidder, to resolve any such matters (which will include allowing the Bidder to participate in the Target's meetings and discussions with ASIC);

- (e) **(section 411(17)(b) statement)** as soon as reasonably practicable after the date of this Agreement, apply to ASIC for the production of statements in writing under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (f) **(approval of Scheme Booklet)** as soon as practicable after ASIC has confirmed that it has no objection to the Scheme or, if ASIC raises any objection to the Scheme, after that objection has been resolved, procure that a meeting of the Target Board is convened to approve the Scheme Booklet for despatch to the Target Shareholders (and provide the Bidder with a copy of an extract of the applicable resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);
- (g) **(Court documents)** promptly prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide the Bidder with drafts of those documents for review and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from the Bidder and its Representatives on those drafts;
- (h) **(first Court hearing)** promptly lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;
- (i) **(registration of Scheme Booklet)** if the Court directs the Target to convene the Scheme Meeting, as soon as reasonably practicable after such orders are made, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (j) **(Scheme Meeting)** promptly take all reasonable steps necessary to comply with the orders of the Court, including, as required, despatching the Scheme Booklet to the Target Shareholders, convening and holding the Scheme Meeting in accordance with the Court orders, and putting the Scheme Resolution to the Target Shareholders at the Scheme Meeting, provided that if this Agreement is terminated under clause 12 it will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (k) **(update Scheme Booklet)** if it becomes aware of information after the date of despatch of the Scheme Booklet, that is material for disclosure to the Target Shareholders in deciding whether to approve the Scheme Resolution or that is required to be disclosed to the Target Shareholders under any applicable law, as soon as reasonably practicable:
 - (i) inform the Target Shareholders of the information in an appropriate and timely manner, and in accordance with applicable law and after consultation with the Bidder as to the manner of provision of that information to the Target Shareholders; and
 - (ii) to the extent it is reasonably practicable to do so, provide the Bidder with drafts of any documents that it proposes to issue to the Target Shareholders

under this clause 5.1(k) and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments received in a timely manner from the Bidder or its Representatives on those drafts;

- (l) **(Court approval)** apply to the Court for orders approving the Scheme as soon as reasonably practicable after the later of:
 - (i) the date that the Scheme Resolution is passed by the requisite majorities of the Target Shareholders under section 411(4)(a)(ii) of the Corporations Act; and
 - (ii) the date of satisfaction or waiver of Condition Precedent 3.1(f);
- (m) **(Target Register Information)** as soon as reasonably practicable after the Record Date, and in any event at least three Business Days before the Implementation Date, give to the Bidder (or as it directs) details of the names, registered addresses and holdings of Scheme Shares of every Scheme Shareholder, in such form as the Bidder may reasonably require;
- (n) **(implementation of the Scheme)** if the Court approves the Scheme:
 - (i) lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as reasonably practicable after the Court makes those orders, and in any event by no later than 4pm on the first Business Day after the date on which the Court makes those orders or such other Business Day as the Target and the Bidder may agree in writing;
 - (ii) use best endeavours to ensure that ASX suspends trading in the Target Shares with effect from the close of trading on the Effective Date;
 - (iii) close the Target Register as at the Record Date to determine the identity of Scheme Shareholders and to determine their entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iv) promptly execute proper instruments of transfer of, and register all transfers of, the Scheme Shares to the Bidder in accordance with the Scheme; and
 - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme and to effect the transfer of the Scheme Shares to the Bidder;
- (o) **(information)** subject to compliance with law, provide all necessary information, or have the share registry of the Target provide all necessary information, to the Bidder about the Target Shareholders, in each case in a form reasonably requested by the Bidder and at least on a monthly basis, which the Bidder reasonably requires in order to:
 - (i) canvass approval of the Scheme by, or discuss the Scheme with, the Target Shareholders (including the results of directions by the Target to the Target Shareholders under Part 6C.2 of the Corporations Act); and
 - (ii) facilitate the provision by the Bidder of the Scheme Consideration;
- (p) **(representation)** allow, and not oppose, any application by the Bidder for leave of the Court to be represented, or the separate representation of the Bidder by counsel, at the Court hearings heard for the purposes of sections 411(1) and

411(4)(b) of the Corporations Act in relation to the Scheme, provided that in making any application for representation or in appearing before the Court, the Bidder acts in accordance with the Scheme Transaction Documents and does not oppose any application by the Target in exercise of its rights under the Scheme Transaction Documents;

- (q) **(ASX listing)** ensure that the Target Shares continue to be quoted on ASX until the date notified by the Bidder to the Target which must be no earlier than the close of business on the Implementation Date;
- (r) **(publication of information on website)** promptly after they become available, publish prominently on the 'home page' of its website, the date of the Scheme Meeting and the text of all announcements made to ASX in connection with the Scheme;
- (s) **(keep Bidder informed)** from the First Court Date until the Implementation Date, promptly inform the Bidder if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or that contains a material omission;
- (t) **(Bidder Provided Information)** during the period until the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) becomes publicly available other than as a result of a breach of this agreement, only use that information with the prior written consent of the Bidder (not to be unreasonably withheld);
- (u) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Agreement and the other Scheme Transaction Documents are effected in accordance with all applicable laws and regulations;
- (v) **(all things necessary or desirable)** do all other things contemplated by or necessary or desirable to lawfully give effect to the Scheme and the orders of the Court approving the Scheme; and
- (w) **(Shareholder support)** promote to its shareholders the merits of the Scheme, including soliciting proxy votes in favour of the Scheme.

5.2 Delay to PRC Regulatory Approvals

Subject to clause 3.6:

- (a) the parties acknowledge their intention that the Condition Precedent in clause 3.1(f) be satisfied prior to, or within a reasonably short period following, the Scheme Meeting, and that the Timetable has been agreed on this basis;
- (b) the Bidder will use its best endeavours to ascertain, and promptly update the Target as to, the progress of obtaining the Regulatory Approvals the subject of the Condition Precedent in clause 3.1(f), anticipated timing to obtain those Regulatory Approvals, any expected delays in obtaining those Regulatory Approvals, and of any fact or circumstance that is reasonably likely to result in the Condition Precedent not being satisfied; and
- (c) the parties must negotiate in good faith any amendment to the Timetable, including in any adjournment of the Scheme Meeting, if any fact, matter or circumstance arises or becomes known, having the result that the Condition Precedent in clause 3.1(f) is unlikely to be satisfied prior to, or within a reasonably short period

following, the Scheme Meeting. The parties must also negotiate in good faith any acceleration to the Timetable in the event that the Condition Precedent in clause 3.1(f) is satisfied, or there is a reasonable basis for expecting that the Condition Precedent in clause 3.1(f) will be satisfied, earlier than the scheduled date for the Scheme Meeting in the Timetable.

5.3 Bidder's obligations in respect of the Scheme

The Bidder must take all steps reasonably necessary to assist the Target to propose and implement the Scheme as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable, and in particular the Bidder must:

- (a) **(provide information)** provide to the Target the information referred to in clause 5.4(d);
- (b) **(preparation of Scheme Booklet)** provide assistance with the preparation of the Scheme Booklet in accordance with clause 5.4;
- (c) **(Independent Expert Information)** provide all assistance and information reasonably requested by the Target or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(liaison with ASIC)** provide reasonable assistance to the Target to assist the Target to resolve any matter raised by ASIC regarding the Scheme Booklet or the Scheme during its review of the Scheme Booklet;
- (e) **(approval of Scheme Booklet)** as soon as practicable after ASIC has confirmed that it has no objection to the Scheme or, if ASIC raises any objection to the Scheme, after that objection has been resolved, procure that a meeting of the Bidder Board (or of a committee of the Bidder Board appointed for the purpose) is convened to approve those sections of the Scheme Booklet that comprise the Bidder Provided Information as being in a form appropriate for despatch to the Target Shareholders (and provide the Target with a copy of an extract of the applicable resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);
- (f) **(keep Target informed)** from the First Court Date until the Implementation Date, promptly inform the Target if it becomes aware that the Bidder Provided Information contains a statement that, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect or that contains any material omission, and provide such further or new information as is required to ensure that such information is no longer misleading or deceptive in any material respect or does not contain any material omission;
- (g) **(Court representation)** if requested by the Target, be represented by counsel at the Court hearings convened in connection with the Scheme, at which, through its counsel and if requested by the Court, the Bidder will undertake to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme;
- (h) **(Deeds Poll)** prior to the First Court Date, execute the Bidder Deed Poll and procure that Kunqian executes the Kunqian Deed Poll and delivers same to the Target;
- (i) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration and Option Consideration in

accordance with this Agreement, the Scheme and the Deed Poll on the Implementation Date;

- (j) **(Target Provided Information)** during the period until the Target Provided Information becomes publicly available other than as a result of a breach of this agreement, only use the Target Provided Information with the prior written consent of the Target (not to be unreasonably withheld);
- (k) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Agreement are effected in accordance with all applicable laws and regulations; and
- (l) **(Loan Agreement)** comply with the Loan Agreement.

5.4 Preparation of Scheme Booklet

- (a) **(Target to prepare)** Subject to the Bidder complying with its obligations under clause 5.4(d), the Target must prepare the Scheme Booklet as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable.
- (b) **(Compliance requirements)** The Target must ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, except that the obligation to do so in respect of the Bidder Provided Information is subject to Bidder complying with its obligations under clauses 5.4(d) and 9.1(g).
- (c) **(Content of Scheme Booklet)** Without limiting clause 5.4(b), the Scheme Booklet will include or be accompanied by:
 - (i) the Scheme;
 - (ii) the Notice of Meeting;
 - (iii) a copy of this Agreement (without the schedules and annexures) or a summary of it;
 - (iv) a copy of the executed Bidder Deed Poll;
 - (v) a copy of the executed Kunqian Deed Poll;
 - (vi) the Independent Expert's Report; and
 - (vii) a statement that the Target Board unanimously considers that the Scheme is in the best interests of the Target Shareholders and recommends that the Target Shareholders approve the Scheme, in the absence of a Superior Proposal, unless prior to the issue of the Scheme Booklet the Target Board has changed or withdrawn those statements and recommendations in accordance with clause 7.1; and
 - (viii) a statement that each Target Director who holds or is able to control voting rights in relation to Target Shares intends to vote all of those Target Shares, or procure that they are voted, in favour of the Scheme Resolution, in the absence of a Superior Proposal, unless prior to the issue of the Scheme Booklet the Target Director has changed his or her voting intention in accordance with clause 7.1.

- (d) **(Bidder Provided Information)** The Bidder must:
- (i) provide the Bidder Provided Information to the Target as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable, in a form that includes all information regarding the Bidder Group that is required by the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, including all the information that would be required under sections 636(1)(c), (f), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in a bidder's statement if the Bidder were offering the Scheme Consideration as consideration under a takeover bid, and must provide to the Target such assistance as the Target may reasonably require in order to adapt such information for inclusion in the Scheme Booklet; and
 - (ii) use reasonable endeavours to ensure that the Bidder Provided Information is not misleading or deceptive (including by omission of information or otherwise) in any material respect.
- (e) **(Review by Bidder)** The Target must make available to the Bidder drafts of the Scheme Booklet (including drafts of the Independent Expert's Report) and, consult with the Bidder in relation to the inclusion of any Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) and consult with the Bidder in relation to comments from the Bidder and its Representatives in respect of each draft document received in a timely manner with a view to incorporating or adopting the Bidder's reasonable comments to the extent considered appropriate by the Target acting reasonably except that in respect to the Independent Expert's Report, the Target will only accept comments from the Bidder and its Representatives on factual matters relating to the Bidder Provided Information that have been included in the Independent Expert's Report.
- (f) **(Dispute as to Scheme Booklet)** If, after two Business Days of consulting on any part of the Scheme Booklet (including the advanced draft of the Scheme Booklet to be submitted to ASIC) and reasonable compliance by the Target with its obligations under clauses 5.4(e), the Bidder and the Target, acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet (including the advanced draft of the Scheme Booklet to be submitted to ASIC), then:
- (i) if the disagreement relates to the form or content of the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), the Target will, acting in good faith, make such amendments to that information in the Scheme Booklet as the Bidder may reasonably require; and
 - (ii) if the disagreement relates to the form or content of the Target Provided Information, the Target will, acting in good faith, decide the final form of that Information in the Scheme Booklet but, if requested to do so by the Bidder, will include a statement from the Bidder noting that it disagrees with the relevant information.
- (g) **(Consent of Bidder)** Without limiting clause 5.4(f), the Target must obtain written consent from the Bidder in relation to the form and context in which any Bidder Provided Information (and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) is used, such consent not to be unreasonably withheld or delayed by the Bidder.

- (h) **(Verification)** The Target must undertake appropriate verification processes in relation to the Target Provided Information included in the Scheme Booklet, and the Bidder must undertake appropriate verification processes in relation to the Bidder Provided Information included in the Scheme Booklet.

5.5 Responsibility Statement

Each party represents to the other that, subject to compliance by the other party with the relevant terms of this Agreement, the responsibility statement to appear in the Scheme Booklet will be in the form of Schedule 3, or in such other form as the Bidder and the Target reasonably agree.

5.6 Assistance of Representatives

Each party must procure that its Representatives work (including by attending meetings and by providing reasonable co-operation, assistance and information) in good faith and in a timely and co-operative fashion with the other party to implement the Scheme, so far as is reasonably practical in accordance with the Timetable, and to prepare all documents required relating to the Scheme including the Scheme Booklet.

5.7 Target Board changes

On the Implementation Date, the Target will:

- (a) take all action necessary to procure that any director of the Target and of any Target Subsidiary (as designated by the Bidder in writing) resigns their office; and
- (b) cause the appointment to the Target Board and to the boards of each of its Subsidiaries of such persons as are nominated by the Bidder, subject to those persons having provided a consent to act as director of the relevant company/companies.

6 Conduct of Business and Requests for Access

6.1 Conduct of Target business

- (a) During the period from the date of this Agreement up to and including the Implementation Date, the Target:
 - (i) must procure that the Target Group conducts its business and operations in the ordinary and usual course and substantially consistent (subject to any applicable laws, regulations and Regulatory Approvals) with the manner, policies and procedures in which each such business and operation has been conducted in the period prior to the date of this Agreement and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
 - (ii) must to the extent consistent with that obligation, use its best endeavours to preserve intact the Target Group's current business organisation, to keep available the services of the current Officers of it and the other Target Group Members, and to preserve the Target Group's relationship with Governmental Agencies, customers, suppliers, licensors, licensees and others having business dealings with it; and
 - (iii) undertakes to comply at all times with the terms of the Loan Agreement and General Security Deed,

except to the extent required to be done or procured by the Target pursuant to, or that is otherwise expressly permitted by, the Scheme Transaction Documents, or the undertaking of which the Bidder is aware at the date of this Agreement or has approved in writing, such approval not to be unreasonably withheld or delayed.

- (b) Without limiting clause 6.1(a) but subject to clause 6.2, the Target must not, and must procure that all Target Group Members do not, from the date of this Agreement up to and including the Implementation Date, do any of the following (or agree or offer to do any of the following):
- (i) (except as required by law, as provided in an existing contract in place as at the date of this agreement or as otherwise disclosed to the Bidder in the Due Diligence Material) make any material change to the terms of employment of (including increasing the remuneration or compensation of), or grant or pay any bonus, retention, severance or termination payment to, any director, executive or senior manager;
 - (ii) incur or enter into any commitments involving capital expenditure other than as expressly provided for in the Target's budget for the 2013 financial year, a copy of which has been provided to the Bidder in the Due Diligence Materials; or
 - (iii) enter into, vary or terminate any material contract, joint venture, partnership or commitment.

6.2 Ordinary Course of Business

For the avoidance of doubt:

- (a) any related party transaction that is undertaken by a Target Group Member without the approval of the Bidder will breach clause 6.1 unless that transaction is permitted by or taken for the purposes of a Scheme Transaction Document; or
- (b) any action that is not in the ordinary course will require the Bidder approval, not to be unreasonably withheld or delayed, unless that action combined with any related actions results in expenditure not exceeding A\$1 million or entering into a commitment that is binding on a Target Group Member for a period of less than six months.

6.3 Access to information and co operation

- (a) **(Provision of access and information)** During the period from the date of this Agreement up to and including the Implementation Date, the Target must, and must procure each of its Subsidiaries to, respond to reasonable requests from the Bidder and its Representatives for information concerning the Target Group businesses and operations, and give the Bidder and its Representatives reasonable access to its Officers and records including monthly management, financial and operational reports provided to the Target Board, and otherwise provide reasonable co operation to the Bidder and its Representatives, in each case only for the purposes of:
 - (i) the implementation of the Transactions;
 - (ii) planning for the integration of the Target Group and the Bidder Group following the implementation of the Scheme;

(iii) considering any matters set out in this clause 6 which require the Bidder's consent or approval; or

(iv) any other purpose that is agreed in writing between the parties;

subject to the proper performance by the directors and officers of the Target and its Subsidiaries of their fiduciary duties.

(b) **(Limits on Target obligations)** Without limiting clause 9.2(c), the obligations in clause 6.3(a) do not require the Target to:

(i) provide information to the Bidder concerning the Target Directors' and management's consideration of the Scheme;

(ii) provide any commercially sensitive or competitive information; or

(iii) breach an obligation of confidentiality to any person,

and, for the avoidance of doubt, nothing in those clauses entitles either party to terminate this Agreement or to claim damages for breach of contract in the event that they are not satisfied.

(c) The parties acknowledge that all information that is provided pursuant to this clause 6.3 will be provided subject to the terms of the Confidentiality Deed.

(d) The Target will keep the Bidder regularly updated regarding, and on request provide to the Bidder such information it reasonably requires to verify, its expected transaction costs as referred to in paragraph (s) of the definition of Target Prescribed Occurrence. It will notify the Bidder as soon as practicable if it becomes aware of any fact, matter or circumstance which is reasonably likely to cause those transaction costs to in aggregate exceed \$4,200,000.

7 Target Board Recommendations and Intentions

7.1 Target Board recommendation

(a) The public announcements to be issued by the Target and the Bidder immediately after execution and in accordance with clause 8.1(a) must state that:

(i) the Target Board unanimously considers that the Scheme is in the best interests of the Target Shareholders and recommends that the Target Shareholders approve the Scheme Resolution; and

(ii) each Target Director who holds or is able to control voting rights in relation to Target Shares intends to vote those Target Shares, or procure that they are voted, in favour of the Scheme Resolution,

in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of the Target Shareholders.

(b) The Target must use its reasonable endeavours to procure that the Target Board:

(i) does not withdraw the statements and recommendations set out in the public announcements issued in accordance with clause 8.1(a);

(ii) in the Scheme Booklet states that:

- (A) the Target Board unanimously considers that the Scheme is in the best interests of the Target Shareholders and recommends that the Target Shareholders approve the Scheme Resolution; and
- (B) each Target Director who holds Target Shares, or who has control over the voting rights attached to Target Shares, intends to vote those Target Shares, or procure that they are voted, in favour of the Scheme Resolution,

in the absence of a Superior Proposal and does not withdraw those statements or recommendations once made; and

- (iii) does not make any public statement to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended,

unless the requirements in both clause 7.1(b)(iv) and 7.1(b)(v) below are satisfied:

- (iv) either:

- (A) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of the Target Shareholders (including in any update to that report); or
- (B) the Target Board determines, after complying with all requirements of clause 10, that a Competing Proposal constitutes a Superior Proposal; and

- (v) a majority of the Target Board, after considering the matter in good faith and after consulting in good faith with the Bidder in relation to its proposed change of statement and recommendation, no longer considers the Scheme to be in the best interests of the Target Shareholders.

7.2 Exception for Consultation

Notwithstanding anything in clause 7.1(b)(v) but subject to the Target complying with its obligations under clause 10, the obligations on the Target to consult with the Bidder do not apply to the extent that the Target Board, acting in good faith and in order to satisfy what the Target Board reasonably considers to be its fiduciary or statutory duties, after having received written advice from its external legal and financial advisors, determines that any such consultation would be likely to constitute a breach of the Target Board's fiduciary or statutory duties.

8 Public Announcements and Communications

8.1 Required announcements

- (a) On the Announcement Date, each of the Bidder and the Target must make a public announcement on the terms agreed by the parties, which has attached to it a copy of this Agreement.
- (b) Where a party is required by applicable law, the ASX Listing Rules or any other applicable stock exchange regulation to make any announcement or to make any disclosure in connection with this Agreement (including its termination), the Scheme, the Transactions or any other transaction contemplated by this Agreement or the Scheme, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed

by law or applicable requirement, but in any event prior notice, and has consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that announcement or disclosure and taken all reasonable steps to restrict that disclosure to the greatest extent possible. Nothing in this clause requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law, the ASX Listing Rules or any other stock exchange regulation.

8.2 Agreement on other Communications

Except in relation to Communications regulated by clauses 8.1 and 8.3 and to the extent permitted by applicable law:

- (a) The Bidder and the Target must in good faith and on a timely basis:
 - (i) consult with and keep each other informed about the progress of any Communications by the Bidder or the Target with any Governmental Agency in relation to the implementation of the Scheme, whether or not such Communications are for the purposes of satisfying a Condition Precedent; and
 - (ii) consult with each other and agree in advance all aspects (including timing, form, content and manner) of any public announcement or disclosure in connection with this Agreement (including its termination), the Scheme or the Transactions; and
- (b) each of the Bidder and the Target must ensure that any other Communications with third parties in relation to the Scheme (such as with employees or shareholders or with the media other than by way of public announcement or disclosure) must be in accordance with the communication protocols and messages agreed between the parties (and if branded with the name or logo of the other party, must be consented to by that party).

8.3 Disclosure on termination of this Agreement

The parties agree that, if this Agreement is terminated under clause 12, either party may disclose by way of announcement to ASX and any other applicable stock exchange the fact that this Agreement has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other party as to (and gives the other party a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

9 Warranties

9.1 Warranties by Bidder

The Bidder warrants to the Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that on the date of this Agreement, the time of giving of its certificate under clause 3.7 and the Second Court Date:

- (a) it is a corporation limited by shares and is validly existing under the laws of its place of incorporation;
- (b) it has full legal capacity and power to own its own property and to carry on its business;

- (c) it has the corporate power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (d) no Insolvency Event has occurred in respect of the Bidder;
- (e) it has taken all necessary corporate action to authorise the entry into of this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- (f) this Agreement is valid and binding upon it and this Agreement does not and will not result in a breach of, or default under any provision of its constitution or any term of any order, judgement or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party;
- (g) the Bidder Provided Information provided to the Target for inclusion in the Scheme Booklet:
 - (i) will be provided in good faith and on the understanding that the Target and each of the Officers of the Target will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme, and that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report; and
 - (ii) will comply in all material respects with applicable laws including the Corporations Act, the ASX Listing Rules and the terms of this Agreement as they apply to such information;
- (h) as at the date of dispatch of the Scheme Booklet to Shareholders, the Bidder Provided Information included in the Scheme Booklet is not misleading or deceptive (including by omission of information or otherwise) in any material respect;
- (i) it will, as a continuing obligation, provide to the Target all such further or new information which may arise after the Scheme Booklet is despatched until the Scheme Meeting which is necessary to ensure that the Bidder Provided Information is not misleading or deceptive in any material respect (including because of material omission);
- (j) as at 8:00am on the Second Court Date, the Bidder will have available to it on an unconditional basis (other than conditions relating to approval of the Court and other conditions within the control of the Bidder) sufficient cash amounts to satisfy the Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this Agreement and the Scheme;
- (k) the Bidder has had the opportunity to review the Due Diligence Materials; and
- (l) in entering into this Agreement, it is not relying on any representation or warranty of or on behalf of the Target (other than the warranties given by the Target under clause 9.2).

9.2 Warranties by Target

The Target warrants to the Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) that, except as consented to in writing by the Bidder or as fairly disclosed in the Due Diligence Materials:

- (a) on the date of this Agreement, the time of giving of its certificate under clause 3.7, and the Second Court Date:
- (i) the Target is a corporation validly existing under the laws of its place of incorporation;
 - (ii) the Target has the power to enter into and perform its obligations under this Agreement and, subject to the satisfaction or, as appropriate, waiver of each Condition Precedent, to carry out the transactions contemplated by this Agreement;
 - (iii) the Target has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;
 - (iv) this Agreement constitutes valid and binding obligations on the Target enforceable in accordance with its terms;
 - (v) the execution and performance by the Target of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:
 - (A) a law or treaty or a judgment, ruling, order or decree binding on it or any of its Related Bodies Corporate;
 - (B) its constitution; or
 - (C) so far as the Target is aware after making Due Inquiry, any other document or agreement that is binding on it or its assets, or any of its Related Bodies Corporate or their assets;
 - (vi) no Insolvency Event has occurred in respect of the Target;
 - (vii) as at the date of this Agreement, neither ASIC nor ASX (as applicable) has notified the Target that a determination has been made against any the Target Group Member for any contravention of the requirements of the Corporations Act or the ASX Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the ASX Listing Rules;
 - (viii) as at the date of this Agreement there has not been any event, change, effect or development that would require the Target to restate the Target's financial statements as disclosed to ASX in any material respect; and
 - (ix) the warranties and representations given by the Target under the Loan Agreement and the General Security Deed are true and accurate and not misleading;
- (b) as at the date of this Agreement, the total securities of the Target on issue are as follows:
- (i) 186,929,401 Target Shares;
 - (ii) 20,450,000 Target Options; and
 - (iii) 1,150,000 Target Share Rights,

and no Target Group Member at the date of this Agreement has issued (or is actually or contingently required to issue) any other securities or instruments that are still outstanding (or may become outstanding) and that may convert into Target securities except as notified to the Bidder; and

- (c) on the date of this Agreement, the time of giving of its certificate under clause 3.7(a), and the Second Court Date:
 - (i) following the making by the Target of the public announcements issued in accordance with clause 8.1(a), the Target:
 - (A) is not in breach of its continuous disclosure obligations under ASX Listing Rule 3.1; and
 - (B) is not withholding any information from the Bidder that is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A; and
 - (ii) the Due Diligence Material has been disclosed in good faith and the Target has not:
 - (A) withheld from disclosure to the Bidder any information which would be material to an acquirer of the Scheme Shares or any information that is material for the purposes of any Target warranty in clause 9.2 and which specifically relates to the Target Group or its operations, assets or affairs (without limitation, such information does not include matters affecting the coal mining industry in Queensland as a whole); or
 - (B) included anything materially false or misleading in such information.

9.3 Reliance by parties

Each party (**Warrantor**) acknowledges that:

- (a) in entering into this Agreement the other party has relied on the warranties provided by the Warrantor under this clause 9;
- (b) any breach of the warranties provided by the Warrantor under this clause 9 after the Scheme becomes Effective may only give rise to a Claim in damages and cannot result in a termination of this Agreement; and
- (c) it has not entered into this Agreement in reliance on any warranty made by or on behalf of the other party except those warranties set out in this Agreement. This acknowledgment does not prejudice the rights any party may have in relation to the Target Provided Information, the Due Diligence Materials, the Bidder Provided Information or any information filed by the other party with ASX or ASIC, although the Bidder acknowledges that the Target does not give any representation or warranty regarding budget or forecast information included in the Due Diligence Material or the assumptions underlying that information.

9.4 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the warranties given by it under this clause 9.

9.5 Status of warranties

Each warranty in this clause 9 merges on the Scheme becoming Effective and otherwise will survive termination of this Agreement in relation to breaches prior to termination whether discovered prior to or after termination.

10 Exclusivity

10.1 No shop restriction

During the Exclusivity Period, the Target must ensure that neither it nor any of its Representatives, directly or indirectly solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any person in relation to a Competing Proposal.

10.2 No talk restriction

During the Exclusivity Period, the Target must not, and must ensure that each of its Representatives do not, except with the prior written consent of the Bidder, enter into, continue or participate in negotiations or discussions with, or enter into any agreement, arrangement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by the Target or any of its Representatives; or
- (b) the Competing Proposal has been publicly announced,

unless the Target Board, acting in good faith and in order to satisfy what the Target Board reasonably considers to be its fiduciary or statutory duties, determines that, where there is a Competing Proposal, the Competing Proposal is a Superior Proposal.

10.3 Notification by Target

- (a) During the Exclusivity Period, the Target must promptly notify the Bidder if it is approached by any Third Party to take any action of a kind referred to in clause 10.2.
- (b) If the Target receives a Competing Proposal, and as a result the Target Board proposes to publicly change or withdraw its statement that it considers the Scheme to be in the best interests of the Target Shareholders and/or its recommendation that the Target Shareholders vote in favour of the Scheme Resolution; or a Target Director does not intend to vote all of the Target Shares held or controlled by them in favour of the Scheme Resolution,
- (c) the Target must give the Bidder five clear Business Days prior notice (such notice to be in writing) of such proposed change or withdrawal and provide to the Bidder all material terms of the applicable Competing Proposal, including details of the proposed price or implied value (including details of the consideration if not simply cash), conditions, timing and break fee (if any). The Target must ask the person who has made the applicable Competing Proposal (the **Competing Party**) for their consent to their name and other identifying details which may identify the Competing Party (**Identifying Details**) being provided by the Target to the Bidder on a confidential basis. If consent is refused, the Target may only withhold the Identifying Details from the Bidder to the extent necessary to satisfy what the

Target Board reasonably considers on the basis of written advice from its external legal advisers to be its fiduciary or statutory duties. If information is withheld pursuant to this clause 10.3(c), the Target must immediately notify the Bidder. Any information provided pursuant to this clause 10.3(c) will be provided subject to the terms of the Confidentiality Deed.

- (d) During the period of five clear Business Days referred to in clause 10.3(c), the Bidder will have the right to offer to amend the terms of the Scheme or the Transactions (a **Bidder Counterproposal**) so that the terms of the Scheme or the Transactions (as amended) would provide an equivalent or superior outcome for the Target Shareholders than the applicable Competing Proposal.
- (e) The Target must procure that the Target Board considers any such Bidder Counterproposal and if the Target Board, acting in good faith, determines that:
 - (i) the Bidder Counterproposal would provide an equivalent or superior outcome for the Target Shareholders than the applicable Competing Proposal; and
 - (ii) the other terms and conditions of the Bidder Counterproposal taken as a whole are not less favourable than those in the applicable Competing Proposal,

then the Target and the Bidder must use their best endeavours to agree the amendments to the Scheme Transaction Documents that are reasonably necessary to reflect the Bidder Counterproposal (including amendments to the Scheme Consideration that are reasonably necessary to reflect the Bidder Counterproposal), and to enter into one or more appropriate amended agreements to give effect to those amendments and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable, and the Target must use its best endeavours to procure that each of the Target Directors continues to recommend the Bidder's Counterproposal to its shareholders and not the applicable Competing Proposal.

- (f) Any material modification to any Competing Proposal (which will include any modification relating to the price or value of any Competing Proposal) will be taken to make that proposal a new Competing Proposal in respect of which the Target must comply with its obligations under this clause 10.3.
- (g) Notwithstanding anything in clause 10.3, each obligation of the Target under this clause 10.3 (except for its obligations under clause 10.3(a)) does not apply to the extent that the Target Board, acting in good faith and in order to satisfy what the Target Board reasonably considers to be its fiduciary or statutory duties after having received written advice from its external legal advisers, determines that complying with such obligation would be likely to constitute a breach of the Target Board's fiduciary or statutory duties.

10.4 Normal provision of information

Nothing in this clause 10 prevents a party from:

- (a) providing information to its Representatives;
- (b) providing information to any Governmental Agency;
- (c) providing information to its auditors, Advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business; or

- (d) providing information required to be provided by law, including without limitation to satisfy its obligations of disclosure in accordance with the ASX Listing Rules, or any Governmental Agency.

10.5 Acknowledgement

The Target acknowledges that:

- (a) the Bidder has required the Target to agree to the obligations set out in this clause 10 in consideration of it proceeding with the Scheme and incurring significant costs in doing so; and
- (b) In the absence of obtaining these obligations from the Target, the Bidder would not have entered into this Agreement.

11 Break Fee

11.1 Payment of costs

- (a) The Target believes that the Transactions will provide benefits to the Target and its shareholders, and acknowledges that if the parties enter into this Agreement and the Scheme is subsequently not implemented, the Bidder will incur significant costs.
- (b) In the circumstances referred to in clause 11.1(a), the Bidder requested that provision be made for the payments referred to in clause 11.2, without which it would not have entered into this Agreement.
- (c) The Target and the Bidder acknowledge that the Break Fee represents a reasonable amount to compensate the Bidder for the following:
 - (i) advisory costs (including costs of Advisers);
 - (ii) costs of management and directors' time;
 - (iii) out of pocket expenses; and
 - (iv) reasonable opportunity costs in pursuing the Transactions or not pursuing other alternative transactions or strategic initiatives.

11.2 Break Fee

- (a) Subject to clauses 11.2(b) and 11.2(c), the Target must pay the Bidder the Break Fee in accordance with clause 11.4(a), without withholding or set off, if any of the following arise:
 - (i) at any time before the End Date, any Target Director fails to state that they consider the Scheme to be in the best interests of the Target Shareholders or fails to recommend that the Target Shareholders approve the Scheme or does not intend to vote all of the Target Shares held or controlled by them, or procure that they are voted, in favour of the Scheme Resolution, or publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) or adversely modifies that statement or recommendation, other than in any case in accordance with clauses 7.1(b)(iv)(A) and 7.1(b)(v) and provided that the reasons for the Independent Expert's conclusions do not

include the existence of a Competing Proposal and this Agreement is terminated;

- (ii) a Competing Proposal is publicly announced or made prior to the End Date and that Competing Proposal (or any related Competing Proposal or Competing Proposal arising out of that Competing Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Competing Proposal; or
 - (iii) Target is in breach of any of its obligations under this Agreement or of a representation and warranty given by it under clause 9.2 and Bidder terminates this agreement in accordance with clause 12.2(a) or 12.2(b) (as applicable);
 - (iv) the Condition Precedent in clause 3.1(g) is breached or not satisfied prior to 8am on the Second Court Date;
 - (v) the Condition Precedent in clause 3.1(i) is breached or not satisfied, and such breach or failure to satisfy was either in whole or in part within the control of the Target or resulted wholly or partially from an act or omission of the Target, prior to 8am on the Second Court Date;
 - (vi) the Bidder terminates this Agreement under clause 12.2(e); or
 - (vii) the Target terminates this Agreement under clause 12.3(a).
- (b) Despite any other term of this Agreement, the Break Fee is only payable once.
- (c) Despite any other term of this Agreement, the Break Fee will not be payable to the Bidder if the Share Scheme becomes Effective notwithstanding the occurrence of any event in clause 11.2(a) (in which case the Break Fee, if already paid, must be refunded by the Bidder).

11.3 Compliance with law

If a court or the Takeovers Panel determines that any part of the Break Fee:

- (a) constitutes or would, if performed, constitute:
 - (i) a breach of the fiduciary or statutory duties of the Target Board; or
 - (ii) unacceptable circumstances within the meaning of the Corporations Act; or
- (b) is unenforceable or would, if paid, be unlawful for any reason,

and all rights of appeal or review in respect of that determination have expired or been exhausted, then the Target will not be obliged to pay such part of the Break Fee and, if such fee has already been paid, then the Bidder must within five Business Days after receiving written demand from the Target refund that part of the Break Fee to the Target.

11.4 Time for payment

- (a) The Target must pay the Break Fee to the Bidder, if it is payable pursuant to clause 11.2(a), within five Business Days after receiving a written notice from the Bidder setting out the relevant circumstances and requiring payment of the Break Fee.

- (b) If the Target fails to pay the Break Fee when due, it will also be required to pay simple interest on the Break Fee from the due date for payment until that amount is paid in full at the rate of BBSW plus 200 basis points, calculated daily.

11.5 Target limitation of liability

- (a) Subject to clause 11.5(b), notwithstanding any other provision of this Agreement:
 - (i) the maximum liability of the Target to the Bidder under or in connection with this Agreement, including in respect of any breach of the Agreement, will be the Break Fee; and
 - (ii) a payment by the Target in accordance with this clause 11 represents the sole and absolute liability of the Target under or in connection with this Agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by the Target in connection with this Agreement,subject to the Break Fee being paid in full by the Target to the Bidder in accordance with clause 11.4 and not being subject to abatement or refund under clause 11.3.
- (b) Nothing in clause 11.5(a) limits the Target's liability in any way under or in relation to the Loan Agreement or the General Security Deed.

12 Termination

12.1 Termination by either party

- (a) Either the Target or the Bidder may terminate this Agreement by notice to the other in accordance with clause 3.6.
- (b) Either the Target or the Bidder may terminate this Agreement by notice to the other in accordance with clause 3.4(b).

12.2 Termination by Bidder

- (a) Subject to clause 12.4, the Bidder may terminate this Agreement by notice in writing to the Target at any time before 8am on the Second Court Date if the Target materially breaches a warranty given by the Target under clause 9.2 or if a Target Prescribed Event occurs.
- (b) Subject to clause 12.4, the Bidder may terminate this Agreement by notice in writing to the Target at any time before 8am on the Second Court Date if the Target is in material breach of any provision of this Agreement (other than a warranty given by the Target in clause 9.2).
- (c) The Bidder may terminate this Agreement by notice in writing to the Target at any time before 8am on the Second Court Date if any Target Director publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) their statement that they consider the Scheme to be in the best interests of the Target Shareholders or their recommendation that the Target Shareholders approve the Scheme, or publicly recommends, promotes or otherwise endorses a Competing Proposal, whether or not in accordance with clause 7.1(b).
- (d) The Bidder may terminate this Agreement by notice in writing to the Target at any time before 8am on the Second Court Date if a Competing Proposal is announced,

made, or becomes open for acceptance and is recommended or endorsed by the Target.

- (e) Subject to clause 12.4, the Bidder may terminate this Agreement by notice in writing to the Target at any time prior to 8am on the Second Court Date if either:
 - (i) the Target is in material breach of either or both of the Loan Agreement or the General Security Deed; or
 - (ii) a material Default under the Loan Agreement has occurred or subsists.

12.3 Termination by Target

- (a) Subject to clause 12.4, the Target may terminate this Agreement at any time before 8am on the Second Court Date by notice in writing to the Bidder if the Target publicly recommends a Superior Proposal, having complied fully with clauses 7.1(b) and 10 (including all requirements of clause 10.3).
- (b) Subject to clause 12.4, the Target may terminate this Agreement at any time before 8am on the Second Court Date by notice in writing to the Bidder if the Bidder is in material breach of any clause of this Agreement.
- (c) Subject to clause 12.4, the Target may terminate this Agreement at any time before 8am on the Second Court Date if the Bidder breaches the Loan Agreement.

12.4 Notice requirement

Neither party may terminate the Agreement in accordance with this clause 12 unless it has first given notice to the other party setting out the relevant circumstances and stating an intention to terminate this Agreement and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5pm on the last Business Day before the Second Court Date) from the time such notice is given.

12.5 Effect of termination

In the event of termination of this Agreement by either the Bidder or the Target pursuant to clause 12.1, this Agreement will have no further force or effect and the parties will have no further obligations under this Agreement, provided that:

- (a) this clause 12 and clauses 1, 8.3, 11, 13, 15.1, 15.6 and 15.13 will survive termination; and
- (b) each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this Agreement.

13 Goods and Services Tax

13.1 Definitions

Unless the contrary intention appears, words or expressions used in this clause 13 which are defined in the A New Tax System (Goods and Services Tax) Act 1999 have the same meaning in this clause. A reference in this clause 13 to any party includes a reference to the representative member of any GST group of which that party is a member.

13.2 GST

- (a) All amounts payable under this Agreement have been calculated without including an amount for GST (unless GST-inclusive amounts have been clearly stated).
- (b) If GST is payable on a supply made under this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable on that supply (the GST Amount). This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive.
- (c) Each party agrees that, to the extent it makes taxable supplies under this Agreement, it shall issue a tax invoice to the other party. No GST Amount is payable under this clause 13 until the supplier gives the recipient a tax invoice.
- (d) If any party is required to pay, reimburse or contribute to an amount paid or payable by another party in respect of an acquisition from a third party, the amount for payment, reimbursement or contribution shall be the acquisition price paid by the acquiring party, less any input tax credit it is entitled to claim, plus any GST payable by the other party.
- (e) This clause 13 will continue to apply after expiration or termination of this Agreement.

14 Releases

14.1 Release by Bidder

To the maximum extent permitted by law, the Bidder irrevocably releases any claim against each Target Indemnified Party and undertakes that it will not make any claim or demand of any nature (however arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any Target Indemnified Party in connection with any breach of any representations, covenants or warranties in this Agreement or any disclosures in connection with this Agreement except where the Target Indemnified Party has engaged in wilful gross misconduct.

14.2 Release by Target

To the maximum extent permitted by law, the Target irrevocably releases any claim against each director of the Bidder Indemnified Party and undertakes that it will not make any claim or demand of any nature (however arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any Bidder Indemnified Party in connection with any breach of any representations, covenants or warranties in this Agreement or any disclosures in connection with this Agreement except where the Bidder Indemnified Party has engaged in wilful gross misconduct.

14.3 Benefit

- (a) The undertakings of the Bidder under this clause 14 are given to and held by the Target as trustee for each of the Target Indemnified Parties.
- (b) The undertakings of the Target under this clause 14 are given to and held by the Bidder as trustee for each of the Bidder Indemnified Parties.

15 Miscellaneous

15.1 Negotiation of Scheme Transaction Documents

The parties agree that they will negotiate in good faith and use their respective best endeavours to agree the terms of all Scheme Transaction Documents which are not in Agreed Form at the date of this Agreement as soon as reasonably practicable and in any event before the date of the Scheme Booklet.

15.2 Notices

Any notice, demand, consent or other communication (a Notice) given or made under this Agreement:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below or the address or fax number last notified by the intended recipient to the sender:

- (i) Target: Endocoal Limited

Suite 2
1 Swann Road
Taringa QLD 4067
Attention: Tim Hedley
Fax No: +61 7 3720 9311

- (ii) Bidder: U&D Mining Industry (Australia) Pty Ltd

Suite 30, Level 1
7 Clunies Ross Court
Eight Mile Plains QLD 4113
Attention: Yang Yi
Fax No: +61 7 3147 8001

- (c) will be taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 4pm (local time of the recipient) it will be taken to have been duly given or made at the start of business on the next business day in that place.

15.3 No agency or partnership

Nothing in this Agreement is to be construed as constituting an agency, partnership, joint venture, or any other form of association between the parties in which one party may be liable for the acts or omissions of any other party. No party has the authority to incur any obligation or make any representation or warranty on behalf of, or to pledge the credit of, any other party.

15.4 Entire agreement

Except as otherwise agreed by the parties this Agreement and the Confidentiality Deed contain the entire agreement between the parties as at the date of this Agreement with respect to its subject matter and supersedes all prior agreements and understandings between the parties in connection with it.

15.5 Amendment

No amendment or variation of this Agreement is valid or binding on a party unless made in writing executed by the Bidder and the Target, which may so make an amendment or variation notwithstanding that one or more other parties or persons may be entitled to the benefit of all or any of the provisions of this Agreement.

15.6 Assignment

The rights and obligations of each party under this Agreement are personal. They cannot be assigned, encumbered or otherwise dealt with and no party may attempt, or purport, to do so without the prior consent of the other party.

15.7 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

15.8 Remedies cumulative

The rights, powers and remedies provided to each party in this Agreement are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

15.9 Further assurances

Each party agrees to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Agreement and the transactions contemplated by it.

15.10 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

15.11 Costs and stamp duty

- (a) Subject to paragraph (b), each party must bear its own costs, charges and expenses arising out of or incidental to the negotiations leading to or the preparation of this Agreement and the proposed, attempted or actual implementation of this Agreement.
- (b) The Bidder must pay any stamp duty that is payable on the transfer to the Bidder of the Scheme Shares pursuant to the Scheme.

15.12 Severability of provisions

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

15.13 Governing law and jurisdiction

- (a) This Deed is governed by the law in force in New South Wales, Australia.
- (b) The parties irrevocably agree that the courts of Australia have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (Proceeding) arising out of or in connection with this Agreement may, subject to this deed, be brought in such courts.
- (c) Each party irrevocably waives any objection which it may have now or in the future to:
 - (i) the laying of the venue of any Proceedings in any such courts; and
 - (ii) any claim that any such Proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any Proceedings brought in the courts of New South Wales will be conclusive and binding upon the party and may be enforced in the courts of any other jurisdiction.
- (d) To the extent that a party may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process or to the extent that in any such jurisdiction there may be attributed to it or its assets such immunity (whether or not claimed), that party among other things irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction with the intent that the above waivers of immunity have irrevocable effect.

15.14 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1 — Dictionary

1 Dictionary

In this Agreement:

ACCC means the Australian Competition and Consumer Commission.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.

Agreed Form means in relation to any document, such document in the form agreed between the Bidder and the Target, such agreement not to be unreasonably withheld or delayed.

Announcement Date means:

- (a) the date on which this Agreement is executed; or
- (b) if this Agreement is executed on a day that is not a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of ASX.

ATO means the Australian Taxation Office.

BBSW means (in respect of any day) the bank bill swap reference rate for 90 day bills as published from time to time in the Australian Financial Review.

Bidder Board means the board of directors of the Bidder.

Bidder Deed Poll means a deed poll to be executed by the Bidder in favour of the Scheme Shareholders substantially in the form of Attachment B (or in such other form as the Bidder and the Target may agree in writing, such agreement not to be unreasonably withheld or delayed).

Bidder Group means the Bidder and the Bidder's Subsidiaries.

Bidder Group Member means each member of the Bidder Group.

Bidder Indemnified Parties means the Officers of each Bidder Group Member.

Bidder Provided Information means all written information regarding the Bidder Group that is provided by or on behalf of the Bidder to the Target or any of its Representatives to enable the Scheme Booklet to be prepared and completed in accordance with clause 5.1 (and that is specifically identified as such by the Bidder or any of its Representatives),

and any updates to that information provided by or on behalf of the Bidder to the Target or any of its Representatives in accordance with clause 5.3(f).

Break Fee means an amount equal to 1% of the Scheme Consideration (exclusive of GST) payable in accordance with this Agreement.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

Cancellation Notice has the meaning given in the Loan Agreement.

Claim means in relation to any person, a claim, action, proceeding, judgment, damage, loss, cost, expense or liability incurred by or to or made or recovered by or against the person, however arising and whether past, present, unascertained, immediate, future or contingent.

Communications means all forms of communications, whether written, oral, in electronic format or otherwise, and whether direct or indirect via agents or Representatives.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any Transaction that may be made and implemented under and in accordance with this Agreement) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) a person or persons will (other than as custodian, nominee or bare trustee):
 - (i) acquire an interest in, or a Relevant Interest in, or become the holder of, 20% or more of the shares in any Target Group Member;
 - (ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any Target Group Member;
 - (iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any Target Group Member; or
 - (iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, any Target Group Member or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Target Group or other synthetic merger or any other transaction or arrangement; or
- (b) The Target would be required to abandon or otherwise fail to proceed with the Scheme or the Transactions, by whatever means.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Confidentiality Deed means the deed of that name between the Bidder and the Target, dated 25 June 2012.

Confidential Information has the same meaning given to that term in the Confidentiality Deed.

Corporations Act means the Corporations Act 2001 (Cth) (as modified by ASIC).

Court means the Federal Court of Australia or such other court of competent jurisdiction as the Bidder and the Target may agree in writing.

Cut Off Date means 5pm on the day one Business Day before the date of this Agreement.

Default has the same meaning as given under the Loan Agreement.

Due Diligence Materials means all documents provided to the Bidder by the Target at least one Business Day before the date of this Agreement as contained in the Target's online data room the index of which is set out in Attachment D.

Due Inquiry means:

- (a) in the case of the Target, the Target undertaking enquiries only of the Target Board and of the Chief Executive Officer and the Chief Financial Officer of the Target Group; and
- (b) in the case of the Bidder, the Bidder undertaking enquiries only of the Bidder Board and of the Chief Executive Officer and the Chief Financial Officer of the Bidder Group

Effective means, when used in relation to a Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act) in relation to that Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means;

- (a) the date which is 6 calendar months from the date of this Agreement, unless, in response to a written request by the Bidder, the Target consents in writing to the extension of the End Date to the date which is up to 8 calendar months from the date of this Agreement, such consent not to be unreasonably withheld; or
- (b) such later date as the Bidder and the Target may agree in writing in their absolute discretion.

Exclusivity Period means the period commencing on the date of this Agreement and ending on the first to occur of the:

- (a) termination of this Agreement in accordance with its terms;
- (b) Implementation Date; or
- (c) End Date.

First Court Date means the first day of hearing of an application made to the Court by the Target for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

General Security Deed means the document of that name between the Target and the Bidder dated on or about the date of this Agreement.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the ACCC, the ATO, ASX, the Foreign Investment Review Board and any regulatory organisation established under statute or any stock exchange and includes any PRC Governmental Agency.

Immediately Available Funds means cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account.

Implementation Date means the date that is five Business Days after the Record Date, or such other date as:

- (a) the Target and the Bidder may agree in writing such agreement not to be unreasonably withheld or delayed;
- (b) ordered by the Court; or
- (c) may be required by ASX.

Independent Expert means an independent expert to be engaged by the Target in accordance with clause 5.1(c) to express an opinion on whether the Scheme is in the best interests of the Target Shareholders in accordance with the Corporations Act and ASIC policy and practice.

Independent Expert's Report means the report from the Independent Expert commissioned by the Target for inclusion in the Scheme Booklet, and any update to such report that the Independent Expert issues prior to the Scheme Meeting.

Insolvency Event means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b) the person resolving to appoint a controller or analogous person to the person or any of the person's property;
- (c) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property; or
- (d) an appointment of the kind referred to in subparagraph (c) being made (whether or not following a resolution or application);
- (e) the holder of a security interest, or any agent on its behalf, appointing a controller or taking possession of any of the person's property;
- (f) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (g) an application being made to a court for an order for its winding up;
- (h) an order being made, or the person passing a resolution, for its winding up;

- (i) the person:
 - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
 - (ii) being unable to pay its debts or otherwise insolvent; or
- (j) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property, except if deriving out of the party's ordinary course of business; or
- (k) any analogous event under the laws of any applicable jurisdiction.

Kunqian means Australia Kunqian International Energy Co. Pty Ltd (ACN 153 835 440).

Kunqian Deed Poll means a deed poll to be executed by Kunqian in favour of the Target and the Scheme Shareholders substantially in the form of Attachment C.

Loan Agreement means the document of that name between the Target and the Bidder dated on or about the date of this Agreement.

Material Adverse Change means a matter, event or circumstance (including a change in law) that occurs, is announced or becomes known to the Bidder or the Target Board (whether or not it becomes public) after the date of this agreement which has the result (or is reasonably expected to have the result):

- (a) that the business of the Target is unable to be carried on in substantially the same manner as carried on at the date of this Agreement; or
- (b) of materially adversely affecting the Target's rights or ability to economically exploit any of its mining tenements (which for the avoidance of doubt does not include tenement applications which have not been granted at the date of this Agreement) other than those which the Target and Bidder have agreed are not material,

but does not include:

- (c) any matter fairly disclosed to the Bidder or its Representatives in the Due Diligence Material or to ASX or otherwise announced publicly in writing by a Governmental Agency on or before the date of this Agreement;
- (d) any event, occurrence, circumstance or matter affecting the coal mining industry in Queensland generally, including prevailing prices for coal in any market;
- (e) any event, occurrence, circumstance or matter arising as a direct or indirect result of adverse weather conditions;
- (f) any change in general economic, financial, currency exchange, securities, coal or commodities market conditions;
- (g) and change in taxation or interest rates;
- (h) any change in accounting policy required by law;
- (i) any delay by any Government Agency to grant any approval (provided such delay is not caused in whole or in part by the Target); or

- (j) any change occurring directly or indirectly as a result of any event, occurrence, circumstance or matter required by this Agreement, the Scheme or the transactions contemplated by them.

Notice of Meeting means the notice convening the Scheme Meeting, together with the proxy form for the Scheme Meeting.

Officer means, in relation to an entity, any of its directors, officers and employees.

Option Cancellation Deed means deeds (in Agreed Form) executed by each Optionholder and Target pursuant to which each Optionholder agrees, subject to the Scheme becoming Effective, to the cancellation of all of their Target Options in return for payment by Target of an amount equal to the Option Consideration.

Optionholder means a person who is registered in the register of Optionholders of the Target as a holder of a Target Option.

Option Consideration means, in respect of a class or category of Target Option, the consideration payable for that class or category of Target Option (both on a per Target Option basis and in aggregate), as set out in Schedule 4.

parties means the Bidder and the Target or one or both of them (as the context requires).

PRC or China means the People's Republic of China.

PRC Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity of the PRC or any of its provinces, autonomous regions, municipalities, or special administrative regions, and includes:

- (a) the National Development and Reform Commission of China;
- (b) the Ministry of Commerce of the People's Republic of China;
- (c) the State-owned Assets Supervision and Administration Commission; and
- (d) the State Administration of Foreign Exchange of China.

Record Date means 7pm Sydney time on the date that is five Business Days after the Effective Date, or such other date as may be agreed in writing between the Bidder and the Target or as may be required by ASX.

Regulatory Approval means the approvals referred to in clauses 3.1(a) and 3.1(f).

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person;
- (b) an Officer of the person or any of the person's Related Bodies Corporate; or
- (c) an Adviser to the person or any of the person's Related Bodies Corporate.

Scheme means the Scheme.

Scheme Booklet means the explanatory memorandum to be prepared in respect of the Scheme in accordance with the terms of this Agreement and to be despatched by the Target to the Target Shareholders, including the Independent Expert's Report, the Scheme, the Bidder Deed Poll and the Notice of Meeting.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to the Bidder of their Scheme Shares in accordance with clause 4.2.

Scheme Meeting means the meeting of the Target Shareholders to be ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Orders means the orders of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.

Scheme Price means \$0.38 per Scheme Share.

Scheme Resolution means the resolution to be put to the Target Shareholders to approve the Scheme.

Scheme Shareholder means each person who is registered in the Target Register as a holder of Scheme Shares as at the Record Date.

Scheme Shares means the Target Shares on issue as at the Record Date.

Scheme Transaction Documents means:

- (a) this Agreement;
- (b) the Scheme;
- (c) the Bidder Deed Poll;
- (d) the Confidentiality Deed; and
- (e) any other document, in the Agreed Form, which the Bidder and the Target agree is necessary or desirable to be entered into for the purposes of the Scheme.

Second Court Date means the first day of hearing of an application made to the Court by the Target for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act for the transfer of Scheme Shares to the Bidder in the form of Attachment A, or in such other form as the Bidder and the Target agree in writing, such agreement not to be unreasonably withheld or delayed.

Share means a fully paid ordinary share in the capital of the Target.

Share Rights Cancellation Deed means deeds (in Agreed Form) executed by each Target Share Rights Holder and Target pursuant to which each Target Share Rights Holder agrees, subject to the Scheme becoming Effective, to the cancellation of all of

their Target Share Rights in return for payment by Target of an amount equal to the Target Share Rights Consideration.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal that the Target Board determines, acting in good faith and in order to satisfy what the Target Board considers to be its fiduciary or statutory duties (and after having taken advice from its financial and legal advisers):

- (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal, including its conditions precedent; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to the Target Shareholders than the Scheme and Transactions viewed in aggregate, taking into account all the terms and conditions of the Competing Proposal,

after taking into account a qualitative assessment of the identity, reputation and financial standing of the party making the Competing Proposal.

Target Board means the board of directors of the Target.

Target Director means a director of the Target.

Target Group means the Target and its Related Bodies Corporate.

Target Group Member means each member of the Target Group.

Target Indemnified Parties means each of the Officers of each Target Group Member.

Target Option means an option either granted or agreed to be granted to subscribe for a Target Share as set out in clause 9.2(b)(ii).

Target Prescribed Event means the occurrence of any of the following events:

- (a) any Target Group Member converts all or any of its securities into a larger or smaller number of securities;
- (b) any Target Group Member reduces, or resolves to reduce, its capital in any way;
- (c) any Target Group Member:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any Target Group Member issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than to a Target Group Member which is a Wholly Owned Subsidiary of the Target, and excluding any Target Shares issued by the Target as a result of the exercise of the Target Options disclosed to the Bidder before the Cut Off Date;
- (e) any Target Group Member issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares, other than to a Target Group Member which is a Wholly Owned Subsidiary of the Target;

- (f) any Target Group Member disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) any Target Group Member charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) any Target Group Member agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital, other than the declaration and payment by any Subsidiary of the Target of a dividend or any other form of distribution of profits or capital, where the recipient of that dividend is the Target or a Target Group Member which is a Wholly Owned Subsidiary of the Target;
- (i) any Target Group Member makes any change to its constitution or other constituent documents;
- (j) any Target Group Member resolves that it be wound up or an application or order is made for the winding up or dissolution of any Target Group Member other than where the application or order (as the case may be) is set aside within 14 days;
- (k) a liquidator or provisional liquidator of any Target Group Member is appointed;
- (l) a court makes an order for the winding up of any Target Group Member;
- (m) an administrator of any Target Group Member is appointed under the Corporations Act;
- (n) any Target Group Member executes a deed of company arrangement;
- (o) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any Target Group Member;
- (p) any Target Group Member is deregistered as a company or otherwise dissolved;
- (q) any Target Group Member is or becomes unable to pay its debts when they fall due;
- (r) any Target Group Member enters into any understanding, arrangement or commitment (of any nature) to do anything listed in paragraphs (a) to (q) (inclusive) of this definition; or
- (s) the Target's costs and disbursements incurred (including accrued but unbilled amounts) in connection with the negotiation, preparation, execution and carrying into effect of this Agreement, the Scheme and any transaction contemplated by this Agreement or the Scheme (including fees of its financial advisers) exceeds the Transaction Costs Cap;

other than an event:

- (t) other than in respect of paragraph (s), required to be undertaken or procured by the Target Group pursuant to the Scheme Transaction Documents; or
- (u) agreed to in writing by the Bidder, such agreement not to be unreasonably withheld or delayed.

Target Provided Information means all written information included in the Scheme Booklet, and any updates to that information prepared by or on behalf of the Target in accordance with clause 5.1(k), other than:

- (a) the Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information; and
- (b) the Independent Expert's Report.

Target Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

Target Share means a fully paid ordinary share issued in the capital of the Target.

Target Shareholder means a person who is registered in the Target Register as a holder of Target Shares from time to time.

Target Share Rights means the rights to acquire Target Options, which have various vesting criteria based on the occurrence of certain milestone events or certain performance and employment criteria.

Target Share Rights Consideration means, in respect of a class or category of Target Share Rights, the consideration payable (both on a per Target Share Rights basis and in aggregate) for the class or category of Target Share Rights as set out in Schedule 4

Target Share Rights Holder means a person who is registered in the register of share rights holders of the Target as a holder of a Target Share Right.

Tax means a tax, levy, duty (including any stamp, transaction or registration duty or similar charge), charge, deduction or withholding, however it is described, that is imposed by law or by a Governmental Agency, together with any related interest, penalty, fine or other charge payable in relation to a tax.

Third Party means any of the following:

- (a) a person other than any Bidder Group Member; or
- (b) a consortium, partnership, limited partnership, syndicate or other group in which no Bidder Group Member has agreed in writing to be a participant.

Timetable means the Indicative timetable in relation to the Scheme set out in Schedule 2, or such other indicative timetable as the Bidder and the Target may agree in writing or as may be required by ASX.

Trading Day has the meaning given in the ASX Listing Rules.

Transaction Costs Cap means \$4,400,000 excluding GST.

Transactions means the proposed transactions pursuant to which the Bidder will acquire the Scheme Shares under the Scheme, in consideration for the provision of the Scheme Consideration and any action to be undertaken pursuant to, or in connection with, a Scheme Transaction Document.

Wholly Owned Subsidiary means, in relation to a party, a body corporate, all of the issued shares of which are or will be directly or indirectly owned by that party.

2 Interpretation

In this Agreement the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;
 - (vi) this agreement includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market on which a company's securities may be traded and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement other than this agreement includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (ix) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this agreement, the relevant time of day is the time in Sydney, Australia;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any part of it;

- (k) a reference to the Scheme Meeting includes any adjournment thereof;
- (l) a reference to "fair disclosure" or "fairly disclosed" means disclosure in sufficient detail to allow the Bidder (acting reasonably) to identify the nature and effect of the matter disclosed.
- (m) Any provision of this agreement which requires a party to use best endeavours, reasonable endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur, does not include any obligation to:
 - (i) commence any legal action or proceeding against any person; or
 - (ii) pay an amount of money to or for the benefit of any third party:
 - (A) in the form of an inducement or consideration to a third party to procure something other than the payment of reasonable expenses or costs and costs of advisers to procure the relevant thing; or
 - (B) in circumstances that are commercially onerous or unreasonable in the context of this agreement,except where that provision expressly specifies otherwise.
- (n) A listing rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this agreement.

Schedule 2 — Timetable

Date	Event
26 October 2012	Sign Scheme Implementation Agreement and announce transaction
10 January 2012	Lodge draft Scheme Booklet with ASIC for review
25 January 2012	First Court Date
25 January 2012	Scheme Booklet is registered with ASIC
30 January 2013	Scheme Booklet despatched to Shareholders
28 February 2013	Hold Scheme Meeting
4 March 2013	Second Court Date and announce to ASX
5 March 2013	Effective Date of Scheme File Court order with ASIC and announce to ASX Shares cease trading at close of trading on ASX
11 March 2013	Record Date for entitlements to Scheme Consideration
18 March 2013	Implementation Date Bidder pays Scheme Consideration into trust account to be held on behalf of Scheme Participants Scheme Consideration paid to Scheme Participants

The parties acknowledge that the above timetable has been prepared on the basis of their best estimate of the timing of key events for the Scheme and that certain events may be delayed for reasons outside of the control of the parties, such as:

- (a) the period of consideration by ASIC of the draft Scheme Booklet;
- (b) the period it takes to obtain any Regulatory Approvals;
- (c) the Court hearing to obtain orders to convene the Scheme Meeting may occur after the time specified in the above timetable; and
- (d) the Court hearing to obtain orders approving the Scheme may occur after the time specified in the above timetable.

In the case of any delay, the parties will endeavour in good faith to agree to a substitute timetable (to the extent possible, with the same relative timing between events), while having regard to, amongst other things, the desire of each party to complete the Transaction as soon as is practicable.

Schedule 3 — Responsibility Statements

- (a) Except as provided in paragraphs (b) and (c) below, the information in this Scheme Booklet has been provided by the Target and is the responsibility of the Target. The Bidder and its directors, officers and advisors do not assume any responsibility for the accuracy or completeness of any such Target information.
- (b) The Bidder has provided and is responsible for information contained in sections *[insert]* of this Scheme Booklet, including information as to the funding arrangements it has made to provide the Scheme Consideration, and information as to the Bidder's opinions, views, intentions and decisions in relation to the Target (collectively the **Bidder Information**). The Target and its directors, officers and advisors do not assume any responsibility for the accuracy or completeness of the Bidder Information.
- (c) The Independent Expert, *[insert]*, has provided and is responsible for the information contained in section *[insert]* of this Scheme Booklet. Neither the Target nor the Bidder assumes any responsibility for the accuracy or completeness of the information contained in section *[insert]*. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in section *[insert]*.

Schedule 4 — Target Option Consideration and Target Share Rights Consideration

Target Option Consideration

Tranche	Quantity	Expiry Date	Strike Price	Consideration per Option	Consideration per Tranche
1	10,000,000	16-Jul-13	\$0.500	\$0.0372	\$372,000
2	3,000,000	2-Dec-13	\$0.500	\$0.0549	\$164,700
3	3,900,000	4-Feb-15	\$0.720	\$0.0590	\$230,100
4	1,500,000	10-Aug-14	\$0.468	\$0.0896	\$134,400
5	250,000	23-Aug-13	\$0.400	\$0.0715	\$17,875
6	1,000,000	23-Aug-13	\$0.460	\$0.0522	\$52,200
7	250,000	16-Mar-14	\$0.400	\$0.0958	\$23,950
8	350,000	16-Mar-14	\$0.600	\$0.0469	\$16,415
9	200,000	30-Mar-14	\$0.600	\$0.0483	\$9,660
Total					\$1,021,300

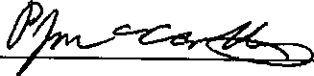
Target Share Right Consideration

Tranche	Quantity	Expiry Date	Strike Price	Consideration per Share Right	Consideration per Tranche
1	350,000	28-May-13	\$0.600	\$0.0154	\$5,390
2	800,000	7-Apr-14	\$0.445	\$0.0836	\$66,880
Total					\$72,270

Execution page

Executed as an agreement.

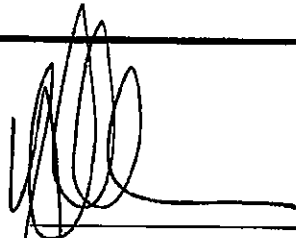
Signed for **Endocoal Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:



Signature of director

P. McCarthy

Name of director (print)



Signature of director/secretary

K. Solomon

Name of director/secretary (print)

Signed for **U&D Mining Industry (Australia) Pty Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Name of director (print)

Signature of director/secretary

Name of director/secretary (print)

Execution page

Executed as an agreement.

Signed for **Endocost Limited** in accordance
with section 127 of the *Corporations Act 2001*
(Cth) and by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed for **U&D Mining Industry
(Australia) Pty Ltd** in accordance with section
127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Signature of director/secretary

YIMAN ZHANG
Name of director (print)

HAO LIU
Name of director/secretary (print)

Attachment A —
Scheme



LAWYERS

Scheme of Arrangement

Endocoal Limited (ACN 132 183 281)

Scheme Shareholders

SYDNEY + MELBOURNE + PERTH

www.gtlaw.com.au
ME_101707337_2 (W2007)

Contents

	Page	
1	Defined terms and interpretation	1
1.1	Definitions in the Dictionary	1
1.2	Interpretation	1
2	Preliminary	1
2.1	EOC	1
2.2	EOC securities	1
2.3	UDMI	1
2.4	Agreement to implement the Scheme	1
2.5	UDMI Deed Poll	2
2.6	Kunqian Deed Poll	2
2.7	Loan Agreement	2
2.8	Summary of Scheme	2
3	Conditions precedent	2
3.1	Conditions precedent	2
3.2	Effect of conditions precedent	3
3.3	Certificate	3
3.4	End Date	3
4	The Scheme	3
4.1	Lodgement of Scheme Order with ASIC	3
4.2	Transfer of Scheme Shares	3
4.3	Payment of Scheme Consideration	4
4.4	Despatch of Scheme Consideration	4
5	Entitlement to participate and dealings in Shares	5
5.1	Entitlement to participate	5
5.2	Recognised dealings	5
5.3	EOC's obligation to register	5
5.4	Transfer requests received after Record Date	5
5.5	No disposal after Close of Trading	5

5.6	Maintaining the Register	5
5.7	Statements of holding cease to have any effect	5
5.8	Provision of Scheme Shareholder's details	5
6	Quotation of Shares	6
6.1	Suspension of trading in ASX	6
6.2	Termination from official quotation	6
7	General provisions	6
7.1	Authority given to EOC	6
7.2	Status of Scheme Shares	6
7.3	Further assurances	7
7.4	Authority of EOC	7
7.5	Scheme binding	7
7.6	Variation, cancellation or modification of rights	7
7.7	Beneficial entitlement to Scheme Shares	7
7.8	Notices	7
7.9	Alterations and conditions	7
7.10	Stamp duty	8
7.11	Governing Law	8
Schedule 1	— Dictionary	9

Scheme of Arrangement made under section 411 of the *Corporations Act 2001* (Cth)

Parties

- 1 **Endocoal Limited** (ACN 132 183 281) of Suite 2, 1 Swann Road, Taringa Queensland 4068 (EOC)
 - 2 **Scheme Shareholders**
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this Scheme.

2 Preliminary

2.1 EOC

EOC is a public company incorporated in Australia and registered in Queensland and is a company limited by shares. EOC is admitted to the official list of ASX and its Shares are officially quoted on the stock market conducted by ASX. Its registered office is at Suite 2, 1 Swann Road, Taringa Queensland 4068.

2.2 EOC securities

As at the date of the Scheme Booklet, EOC has on issue 186,929,401 Shares.

2.3 UDMI

UDMI is a company incorporated in Australia and is a company limited by shares. Its registered office is at Suite 30, Level 1, 7 Clunies Ross Court, Eight Mile Plains Queensland 4113.

2.4 Agreement to implement the Scheme

Each of EOC and UDMI have agreed, by executing the Scheme Implementation Agreement, to implement the terms of this Scheme and the steps contemplated to follow

the implementation of this Scheme, to the extent those steps are required to be done by each of them.

2.5 UDMI Deed Poll

UDMI has executed the Bidder Deed Poll in favour of Scheme Shareholders.

2.6 Kungian Deed Poll

Kungian has executed the Kungian Deed Poll in favour of Scheme Shareholders and EOC.

2.7 Loan Agreement

UDMI has executed the Loan Agreement in favour of EOC.

2.8 Summary of Scheme

If the Scheme becomes Effective:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to UDMI and EOC will become a subsidiary of UDMI;
- (b) in consideration of the transfer of the Scheme Shares, UDMI will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme;
- (c) EOC will enter the name of UDMI in the Register as the holder of all of the Scheme Shares;
- (d) it will bind EOC and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and
- (e) it will override the constitution of EOC, to the extent of any inconsistency.

3 Conditions precedent

3.1 Conditions precedent

The conditions precedent to this Scheme are:

- (a) all the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than clause 3.1(d) relating to Court approval of the Scheme) having been satisfied or waived in accordance with the Scheme Implementation Agreement as at 8.00 am on the Second Court Date or such other time specified in that condition precedent;
- (b) neither the Scheme Implementation Agreement, the Bidder Deed Poll nor the Kungian Deed Poll being terminated, as at 8.00am on the Second Court Date;
- (c) this Scheme being approved by the Court for the purposes of section 411(4)(b) of the Corporations Act at the Second Court Hearing, subject to the matters noted in clause 7.9;

- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to EOC and UDMI; and
- (e) the orders of the Court made under section 411(4)(b) (and if applicable, section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act.

3.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4.

3.3 Certificate

EOC and UDMI will provide to the Court at the Second Court Hearing certificates, or such other evidence as the Court requests, confirming whether or not the conditions precedent in clauses 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived.

3.4 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date has not occurred on or before the End Date; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms, unless EOC and UDMI otherwise agree in writing.

4 The Scheme

4.1 Lodgement of Scheme Order with ASIC

- (a) If the conditions in clause 3.1 are satisfied or waived, EOC will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable, and in any event by no later than 1.00pm on the first Business Day (or on such other Business Day as EOC and UDMI agree) after the date on which the Court makes that Scheme Order.
- (b) This Scheme will be Effective on and from the Effective Date.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective in accordance with clause 4.1, the following actions will occur (in the order set out below) on the Implementation Date:

- (a) on or before 10.00 am on the Implementation Date, and in consideration for the transfer of the Scheme Shares to UDMI under the Scheme, UDMI must pay or procure payment of the Scheme Consideration to each Scheme Shareholder for each Scheme Share that is held by the Scheme Shareholder as at the Record Date in accordance with clause 4.3;
- (b) after 10.00 am on the Implementation Date and subject to UDMI complying with its obligations under clause 4.3, all of the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date must be transferred to UDMI without the need for any further act by any Scheme Shareholder, by EOC effecting a valid transfer or

transfers of the Scheme Shares to UDMI under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (i) EOC delivering to UDMI a duly completed Scheme Share Transfer executed by EOC as transferor (acting as the attorney and agent of each Scheme Shareholder under clause 7.1); and
 - (ii) UDMI duly executing the Scheme Share Transfer as transferee and delivering it to EOC for registration; and
- (c) immediately after the transfer of the Scheme Shares to UDMI under clause 4.2(b), EOC must enter the name of UDMI in the Register in respect of all of the Scheme Shares.

4.3 Payment of Scheme Consideration

The obligation of UDMI to pay or procure payment of the Scheme Consideration pursuant to clause 4.2(a) is to be satisfied by UDMI, before 10.00 am on the Implementation Date, depositing in cleared funds into an account established by, or on behalf of, EOC and in the name of EOC (**Trust Account**) an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders, such amount to be held by EOC on trust for the Scheme Shareholders (except that any interest on the amount less any bank fees and charges will be for the account of UDMI) and for the purpose of sending the aggregate Scheme Consideration to the Scheme Shareholders.

4.4 Despatch of Scheme Consideration

- (a) Subject to UDMI complying with its obligations under clause 4.3, EOC must within five Business Days after the Implementation Date pay from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration due to that Scheme Shareholder in accordance with this Scheme by:
- (i) despatching or procuring the despatch to the Scheme Shareholder (other than a Scheme Shareholder who has notified an account with an Australian bank as provided by clause 4.4(a)(ii)) of a cheque, by pre-paid ordinary post (or, if the address of the Scheme Shareholder in the Register is outside Australia, by pre-paid airmail post) in an envelope addressed to the address shown in the Register as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme Shareholders must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date; or
 - (ii) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by the Scheme Shareholder to EOC and recorded in or for the purposes of the Register as at the Record Date.
- (b) To the extent that a cheque properly despatched by or on behalf of EOC pursuant to this clause 4.4 is returned to EOC as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date (**Unclaimed Consideration**):
- (i) EOC must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
 - (ii) subject to EOC complying with its obligations under clause 4.4(b)(i), EOC is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

5 Entitlement to participate and dealings in Shares

5.1 Entitlement to participate

Each Scheme Shareholder will be entitled to participate in this Scheme.

5.2 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Shares will be recognised if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Register as the holder of the relevant Shares by the Record Date; and
- (b) in all other cases share transfer forms in registrable form or transmission applications in respect of those dealings are received at the place where the Register is kept prior to the Record Date.

5.3 EOC's obligation to register

EOC must register any registrable transfers or transmission applications received in accordance with clause 5.2(b) by or as soon as reasonably practicable after the Record Date.

5.4 Transfer requests received after Record Date

EOC will not accept for registration or recognise for any purpose any transfer, transmission or application in respect of EOC Shares received after 7.00 pm on the Record Date, other than a transfer to UDMI in accordance with this Scheme.

5.5 No disposal after Close of Trading

No EOC Shareholder shall dispose of or purport to agree to dispose of any EOC Shares or any interest in EOC Shares after the Close of Trading. Any dealings in EOC Shares after Close of Trading will not be recognised by the Registrar.

5.6 Maintaining the Register

For the purpose of determining entitlements to Scheme Consideration, EOC must, until the Scheme Consideration has been paid, maintain, or cause the Registrar to maintain, the Register in accordance with the provisions of this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Register.

5.7 Statements of holding cease to have any effect

After 7.00 pm on the Record Date, any share certificate or holding statement for EOC Shares (other than statements of holding in favour of UDMI and its successors in title) will cease to have any effect as a document of title in respect of those shares and each current entry on the Register as at 7.00pm on the Record Date will cease to have any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration (other than the entries in respect of UDMI).

5.8 Provision of Scheme Shareholder's details

As soon as practicable after the Record Date, and in any event at least one Business Day before the Implementation Date, EOC must ensure that a complete copy of the Register

as at 7.00 pm on the Record Date, including details of the names, Registered Addresses and holdings of EOC Shares for each Scheme Shareholder are available to UDMI in the form UDMI reasonably requires.

6 Quotation of Shares

6.1 Suspension of trading in ASX

EOC will apply to the ASX to suspend trading in the Shares on ASX from the Close of Trading.

6.2 Termination from official quotation

Provided that the Scheme has been fully implemented in accordance with its terms, EOC will apply for termination of the official quotation of the Shares on ASX, and removal from the official list of ASX, on a date after the Implementation Date as determined by UDMI.

7 General provisions

7.1 Authority given to EOC

On the Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints EOC and all of its directors and officers (jointly and severally) as its attorney and agent for the purposes of:

- (a) enforcing the Bidder Deed Poll against UDMI;
- (b) enforcing the Kunqian Deed Poll against Kunqian; and
- (c) executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including, without limitation, executing a proper instrument of transfer of its EOC Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the EOC Shares held by Scheme Shareholders,

and EOC and all of its directors and officers accept such appointment. EOC, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors and officers (jointly, severally or jointly and severally).

7.2 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to EOC in its own right and for the benefit of UDMI, and appointed and authorised EOC as its attorney and agent to warrant to UDMI, that all their EOC Shares (including any rights and entitlements attaching to those shares) transferred to UDMI under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their EOC Shares (including any rights and entitlements attaching to those shares) to UDMI under this Scheme.

7.3 Further assurances

EOC will execute documents and do all things and acts necessary or expedient in order to implement this Scheme.

7.4 Authority of EOC

Each of the Scheme Shareholders consents to EOC doing all things necessary for or incidental to the Implementation of this Scheme.

7.5 Scheme binding

This Scheme binds EOC and all Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against the Scheme) and, to the extent of any inconsistency, overrides the constitution of EOC.

7.6 Variation, cancellation or modification of rights

The Scheme Shareholders agree to the transfer of their EOC Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their EOC Shares constituted or resulting from this Scheme (if any).

7.7 Beneficial entitlement to Scheme Shares

On the Scheme becoming Effective, pending registration by EOC of UDMI in the Register as the holder of the Scheme Shares:

- (a) UDMI will be beneficially entitled to the Scheme Shares transferred to it under this Scheme; and
- (b) each Scheme Shareholder:
 - (i) irrevocably appoints UDMI as attorney and agent (and directs UDMI in each such capacity) to appoint any director of UDMI as its sole proxy and, where appropriate, its corporate representative to attend shareholder meetings of EOC, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders resolution of EOC, and the Scheme Shareholder may not itself attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative; and
 - (ii) must take all other actions in the capacity of a registered holder of Scheme Shares as UDMI reasonably directs.

7.8 Notices

Where a notice, transfer, transmission application or other communication referred to in the Scheme is sent by post to EOC, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at EOC's registered office or at the office of the Registrar.

7.9 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, EOC may, by its counsel on behalf of all

persons concerned consent to only such of those conditions or alterations to this Scheme to which UDMI has consented.

7.10 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by UDMI.

7.11 Governing Law

- (a) The governing law of the Scheme is the law in force in the State of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

Schedule 1 — Dictionary

1 Dictionary

In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691), or if the context requires, the financial market operated by it.

Business Day has the meaning given in the Listing Rules.

CHES means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

Close of Trading means the close of normal trading on ASX on the Effective Date.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Bidder Deed Poll means the Deed Poll dated 26 October 2012 executed by UDMI, pursuant to which UDMI covenants in favour of the Scheme Shareholders to

perform the steps attributed to it under, and otherwise comply with, this Scheme as if UDMI were a party to this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order in relation to the Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means:

- (a) the date which is 6 calendar months from the date of the Scheme Implementation Agreement, unless, in response to a written request by UDMI, EOC consents in writing to the extension of the End Date to the date which is up to 8 calendar months from the date of the Scheme Implementation Agreement, such consent not to be unreasonably withheld; or
- (b) such later date as UDMI and EOC may agree in writing in their absolute discretion.

EOC means Endocoal Limited (ACN 132 183 281).

EOC Board means the board of directors of EOC as constituted from time to time.

EOC Shareholder means a person who is registered in the Register as the holder of Shares.

Implementation Date means the date that this Scheme will be implemented according to its terms, being the fifth Business Day following the Record Date or such other date as:

- (c) EOC and UDML may agree in writing such agreement not to be unreasonably withheld or delayed;
- (d) ordered by the Court; or
- (e) may be required by ASX.

Kunqian means Australia Kunqian International Energy Co. Pty Ltd (ACN 153 835 440).

Kunqian Deed Poll means a deed poll executed by Kunqian on 26 October 2012 in favour of the Target and the Scheme Shareholders.

Listing Rules means the official listing rules of ASX.

Loan Agreement means the loan agreement dated 26 October 2012 between EOC and UDML.

Record Date means, in respect of the Scheme, 7.00pm on the fifth Business Day (or such other Business Day as EOC and UDML agree) following the Effective Date.

Register means EOC's register of members maintained under and in accordance with section 169 of the Corporations Act.

Registered Address means the address of each EOC Shareholder as recorded on the Register.

Registrar means Boardroom Pty Limited.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between EOC and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by EOC and UDML.

Scheme Booklet means the information to be despatched to EOC Shareholders in accordance with clause 5.1(j) of the Scheme Implementation Agreement.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, \$0.38.

Scheme Order means the orders of the Court approving the Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Implementation Agreement means the agreement between EOC and UDML dated 26 October 2012, under which each party undertakes specific obligations to give effect to this Scheme.

Scheme Meeting means the meeting of EOC Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Share on issue as at the Record Date.

Scheme Share Transfer means for each Scheme Shareholder, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Second Court Hearing means the hearing of the application to the Court for the Scheme Order approving the Scheme.

Share means an issued fully paid ordinary share in the capital of EOC.

Trust Account has the meaning given under clause 4.3.

UDMI means U&D Mining Industry (Australia) Pty Ltd (ACN 152 892 638).

2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Melbourne, Australia time;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;

- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

Attachment B —
Bidder Deed Poll



LAWYERS

Deed Poll

Given by U&D Mining Industry (Australia) Pty Ltd (ACN 152 892 638) (**UDMI**)

In favour of each holder of ordinary shares in Endocoal Limited (ACN 132 183 281) (**EOC**)
as at 7.00pm on the Record Date (**Scheme Shareholders**)

+ SYDNEY + MELBOURNE + PERTH

Contents	Page
Background	1
1 Defined terms and interpretation	1
1.1 Definitions in the Dictionary	1
1.2 Interpretation	1
2 Nature of deed poll	1
3 Conditions	1
3.1 Conditions	1
3.2 Termination	2
3.3 Consequences of termination	2
4 Scheme Consideration	2
4.1 Consideration under the Scheme	2
4.2 Manner of payment	2
5 Warranties	2
6 Continuing obligations	3
7 Notices	3
7.1 Form	3
7.2 When effective	3
7.3 When taken to be received	3
7.4 Receipt outside business hours	4
8 General	4
8.1 Stamp duty	4
8.2 Waiver	4
8.3 Variation	4
8.4 Remedies cumulative	4
8.5 Assignment	5
8.6 Governing law and jurisdiction	5
8.7 Further action	5
Schedule 1 — Dictionary	6

Execution page

7

Attachment A - Scheme

Date:

Parties

- 1 **U&D Mining Industry (Australia) Pty Ltd** of Suite 30, Level 1, 7 Clunies Ross Court, Eight Mile Plains Queensland 4113 (ACN 152 892 638) (**UDMI**)
-

Background

- A EOC and UDMI have entered into the Scheme Implementation Agreement.
 - B In the Scheme Implementation Agreement, UDMI agreed (amongst other things) to provide the Scheme Consideration to EOC on behalf of the Scheme Shareholders, subject to the satisfaction of certain conditions.
 - C UDMI is entering into this deed poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations under the Scheme Implementation Agreement and the Scheme.
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act;
- (c) which is defined in the Scheme Implementation Agreement, has the meaning set out therein; and
- (d) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Nature of deed poll

UDMI acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3 Conditions

3.1 Conditions

UDMI's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

UDMI's obligations under this Deed Poll automatically terminate and the terms of this Deed Poll will be of no force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) UDMI is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against UDMI in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Scheme Consideration

4.1 Consideration under the Scheme

Subject to clause 3, UDMI undertakes in favour of each Scheme Shareholder to pay the Scheme Consideration to EOC on behalf of each Scheme Shareholder in accordance with the Scheme.

4.2 Manner of payment

Subject to clause 3, the obligation of UDMI to pay or procure payment of the Scheme Consideration is to be satisfied by UDMI, before 10.00 am on the Implementation Date, depositing in cleared funds into an account established by, or on behalf of, EOC and in the name of EOC (**Trust Account**) an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders, such amount to be held by EOC on trust for the Scheme Shareholders (except that any interest on the amount less any bank fees and charges will be for the account of UDMI) and for the purpose of sending the aggregate Scheme Consideration to the Scheme Shareholders.

5 Warranties

UDMI represents and warrants that:

- (a) it is a corporation validly existing under laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and it has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and

- (d) the Deed Poll is valid and binding upon UDMI and enforceable against UDMI in accordance with its terms.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) UDMI has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Form

All notices or other communications to UDMI in respect of this Deed Poll must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) delivered to UDMI by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:

U&D Mining Industry (Australia) Pty Ltd

Suite 30, Level 1
7 Clunies Ross Court
Eight Mile Plains QLD 4113
Attention: Yang Yi
Email address: yi.yang@datongroup.com.au

7.2 When effective

Communications take effect from the time they are received or taken to be received under clause 7.3 (whichever happens first) unless a later time is specified.

7.3 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by email:
- (i) when the sender receives an automated message confirming delivery; or
- (ii) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

7.4 Receipt outside business hours

Despite clauses 7.2 and 7.3, if communications are received or taken to be received under clause 7.3 after 5.00pm in the place of receipt or on a day which is not a business day in the place of receipt, they are taken to be received at 9.00am on the next day which is a business day and take effect from that time unless a later time is specified.

8 General

8.1 Stamp duty

UDMI must:

- (a) pay all stamp duty (including fines and penalties) payable and assessed on this Deed Poll, any instruments entered into under this Deed Poll and in respect of a transaction effected by or made under the Scheme and this Deed Poll; and
- (b) indemnify on demand each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

8.2 Waiver

- (a) A waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party giving the waiver.
- (b) A failure or delay in exercise, or partial exercise of:
 - (i) a right arising from a breach of this Deed Poll; or
 - (ii) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

8.3 Variation

A provision of this Deed Poll or any right created under it may not be varied, altered or otherwise amended unless the variation is agreed to by both EOC and UDMI in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event UDMI must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

8.4 Remedies cumulative

The rights and remedies of UDMI and the Scheme Shareholders under this Deed Poll are in addition to other rights and remedies given by law independently of this Deed Poll.

8.5 Assignment

The rights and obligations of UDMI and each Scheme Shareholder under this Deed Poll are personal and must not be assigned or otherwise dealt with at law or in equity.

8.6 Governing law and jurisdiction

This Deed Poll is governed by the law in force of New South Wales. UDMI submits to the non-exclusive jurisdiction of the courts of that place.

8.7 Further action

UDMI must execute all documents and do all things necessary to expedient to give effect to this Deed Poll.

Schedule 1 — Dictionary

1 Dictionary

In this Deed Poll (unless the context otherwise requires):

Unless otherwise defined in this deed poll, capitalised terms have the meaning given to them in the Scheme.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this deed poll.

EOC means Endocoal Limited (ACN 132 183 281).

Implementation Date has the meaning given in the Scheme.

Scheme means the proposed scheme of arrangement between EOC and Scheme Shareholders substantially in the form of Attachment A to this deed poll together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Scheme Implementation Agreement means the Scheme Implementation Agreement between UDMI and EOC dated 26 October 2012

Scheme Shareholders means each holder of ordinary shares in EOC as at 7.00pm on the Record Date.

UDMI means U&D Mining Industry (Australia) Pty Ltd (ACN 152 892 638).

2 Interpretation

Part 2 of Schedule 1 of the Scheme applies to the interpretation of this Deed Poll except that references to "this Scheme" in that clause are to be read as references to "this Deed Poll".

Execution page

Executed as a deed poll.

Signed and delivered by **U&D Mining Industry (Australia) Pty Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Attachment A —
Scheme

**Attachment C —
Kunqian Deed Poll**



LAWYERS

Deed Poll

Given by Australia Kunqian International Energy Co. Pty Ltd (ACN 153 835 440)
(Kunqian)

in favour of each holder of ordinary shares in Endocoal Limited (ACN 132 183 281) (EOC)
as at 7.00pm on the Record Date (**Scheme Shareholders**)

+ SYDNEY + MELBOURNE + PERTH

www.gtlaw.com.au
ME_101763105_2 (W2007)

Contents	Page
Background	1
1 Defined terms and interpretation	1
1.1 Definitions in the Dictionary	1
1.2 Interpretation	1
2 Nature of deed poll	1
3 Conditions	1
3.1 Conditions	1
3.2 Termination	1
3.3 Consequences of termination	2
4 Undertaking in favour of Scheme Shareholders	2
5 Warranties	2
6 Continuing obligations	2
7 Notices	3
7.1 Form	3
7.2 When effective	3
7.3 When taken to be received	3
7.4 Receipt outside business hours	3
8 General	3
8.1 Stamp duty	3
8.2 Waiver	4
8.3 Variation	4
8.4 Remedies cumulative	4
8.5 Assignment	4
8.6 Governing law and jurisdiction	4
8.7 Further action	5
Schedule 1 — Dictionary	6
Execution page	7
Attachment A - Scheme	

Date:

Parties

- 1 Australia Kunqian International Energy Co. Pty Ltd (ACN 153 835 440) of of Suite 30, Level 1, 7 Clunies Ross Court, Eight Mile Plains Queensland 4113 (Kunqian)
-

Background

- A On or about the date of this deed poll, UDMI entered into the UDMI Deed Poll.
- B Kunqian is entering into this Deed Poll for the purpose of covenanting in favour of all of the Scheme Shareholders to procure that UDMI performs all of its obligations under the UDMI Deed Poll.
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Nature of deed poll

Kunqian acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder and EOC in accordance with its terms even though the Scheme Shareholders and EOC are not a party to it.

3 Conditions

3.1 Conditions

Kunqian's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

Kunqian's obligations under this Deed Poll automatically terminate and the terms of this Deed Poll will be of no force or effect if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms; or
- (b) with respect to Kunqian's obligations under clause 4, the Scheme has not become Effective on or before the End Date.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to all Scheme Shareholders:

- (a) Kunqian is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against Kunqian in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Undertaking in favour of Scheme Shareholders

Subject to clause 3, Kunqian undertakes in favour of each Scheme Shareholder to procure that UDMI performs its obligations under the UDMI Deed Poll.

5 Warranties

Kunqian represents and warrants that:

- (a) it is a corporation validly existing under laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) the Deed Poll is valid and binding upon Kunqian and enforceable against Kunqian in accordance with its terms.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) UDMI has fully performed its obligations under the UDMI Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Form

All notices or other communications to Kunqian in respect of this Deed Poll must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) delivered to Kunqian by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:

Australia Kunqian International Energy Co. Pty Ltd (ACN 153 835 440)
Suite 13, Level 1, 7 Clunies Ross Court, Eight Mile Plains Queensland 4113
Attention: Xin Zhang
Email address: zhangxin.kunqian@gmail.com

7.2 When effective

Communications take effect from the time they are received or taken to be received under clause 7.3 (whichever happens first) unless a later time is specified:

7.3 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

7.4 Receipt outside business hours

Despite clauses 7.2 and 7.3, if communications are received or taken to be received under clause 7.3 after 5.00pm in the place of receipt or on a day which is not a business day in the place of receipt, they are taken to be received at 9.00am on the next day which is a business day and take effect from that time unless a later time is specified.

8 General

8.1 Stamp duty

Kunqian must:

- (a) pay all stamp duty (including fines and penalties) payable and assessed on this Deed Poll; and
- (b) indemnify on demand each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

8.2 Waiver

- (a) A waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party giving the waiver.
- (b) A failure to delay in exercise, or partial exercise of:
 - (i) a right arising from a breach of this Deed Poll; or
 - (ii) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

8.3 Variation

A provision of this Deed Poll or any right created under it may not be varied, altered or otherwise amended unless the variation is agreed to by EOC and Kunqian in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event Kunqian must enter into a further Deed Poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

8.4 Remedies cumulative

The rights and remedies of Kunqian, EOC and the Scheme Shareholders under this Deed Poll are in addition to other rights and remedies given by law independently of this Deed Poll.

8.5 Assignment

The rights and obligations of Kunqian, EOC and each Scheme Shareholder under this Deed Poll are personal and must not be assigned or otherwise dealt with at law or in equity.

8.6 Governing law and jurisdiction

This Deed Poll is governed by the law in force of New South Wales. Kunqian submits to the non-exclusive jurisdiction of the courts of that place.

8.7 Further action

Kunqian must execute all documents and do all things necessary to expedient to give effect to this Deed Poll.

Schedule 1 — Dictionary

1 Dictionary

In this deed poll (unless the context otherwise requires):

Unless otherwise defined in this deed poll, capitalised terms have the meaning given to them in the Scheme.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this deed poll.

EOC means Endocoal Limited (ACN 132 183 281).

Scheme means the proposed scheme of arrangement between EOC and Scheme Shareholders substantially in the form of Attachment A to this deed poll together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Scheme Implementation Agreement means the Scheme Implementation Agreement between UDMI and EOC dated 26 October 2012.

Scheme Shareholders means each holder of ordinary shares in EOC as at 7.00pm on the Record Date.

UDMI Deed Poll means the deed poll entered into by UDMI in favour of Scheme Shareholders on or about the date of this deed poll.

2 Interpretation

Part 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll except that references to "this Scheme" in that clause are to be read as references to "this deed poll".

Execution page

Executed as a deed poll.

Signed and delivered by **Australia Kunqian International Energy Co. Pty Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Attachment A —
Scheme

**Attachment D —
Due Diligence Materials**

1.2.2.2.33	PSG0110 - Preplab - Orion Downs - ORD049HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.34	PSG0111 - Preplab - Orion Downs - ORD050HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.35	PSG0111 - Preplab - Orion Downs - ORD050HC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.36	PSG0111 - Preplab - Orion Downs - ORD050HC - P1A	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.37	PSG0111 - Preplab - Orion Downs - ORD050HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.38	PSG0112 - Preplab - Orion Downs - ORD134XC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.39	PSG0112 - Preplab - Orion Downs - ORD134XC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.40	PSG0112 - Preplab - Orion Downs - ORD134XC - P1A	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.41	PSG0125 - Preplab - Orion Downs - ORD141HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.42	PSG0108 - Preplab - Orion Downs - ORD045HC - Final (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.43	PSG0108 - Preplab - Orion Downs - ORD045HC - P1 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.44	PSG0108 - Preplab - Orion Downs - ORD045HC - P1A (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.45	PSG0108 - Preplab - Orion Downs - ORD045HC - P2 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.46	PSG0110 - Preplab - Orion Downs - ORD049HC - Final (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.47	PSG0110 - Preplab - Orion Downs - ORD049HC - P1A (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.48	PSG0110 - Preplab - Orion Downs - ORD049HC - P2 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.49	PSG0111 - Preplab - Orion Downs - ORD050HC - Final (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.50	PSG0111 - Preplab - Orion Downs - ORD050HC - P1 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.51	PSG0111 - Preplab - Orion Downs - ORD050HC - P1A (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.52	PSG0111 - Preplab - Orion Downs - ORD050HC - P2 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.53	PSG0112 - Preplab - Orion Downs - ORD134XC - Final (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.54	PSG0112 - Preplab - Orion Downs - ORD134XC - P1 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.55	PSG0112 - Preplab - Orion Downs - ORD134XC - P1A (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.56	PSG0112 - Preplab - Orion Downs - ORD134XC - P2 (2)	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.57	PSG0117 - Preplab - Orion Downs - ORD139HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.58	PSG0117 - Preplab - Orion Downs - ORD139HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.59	PSG0117 - Preplab - Orion Downs - ORD139HC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.60	PSG0117 - Preplab - Orion Downs - ORD139HC	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.61	PSG0153 - Preplab - Orion Downs - ORD157HC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.62	PSG0125 - Preplab - Orion Downs - ORD141HC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.63	PSG0125 - Preplab - Orion Downs - ORD141HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.64	PSG0125 - Preplab - Orion Downs - ORD141HC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.65	PSG0126 - Preplab - Orion Downs - ORD053PC2HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.66	PSG0126 - Preplab - Orion Downs - ORD053PC2HC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.67	PSG0126 - Preplab - Orion Downs - ORD053PC2HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.68	PSG0126 - Preplab - Orion Downs - ORD053PC2HC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.69	PSG0127 - Preplab - Orion Downs - ORD139HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.70	PSG0127 - Preplab - Orion Downs - ORD139HC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.71	PSG0127 - Preplab - Orion Downs - ORD139HC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.72	PSG0128 - Preplab - Orion Downs - ORD136XC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.73	PSG0128 - Preplab - Orion Downs - ORD136XC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.74	PSG0128 - Preplab - Orion Downs - ORD136XC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.75	PSG0140 - Preplab - Orion Downs - ORD060PC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.76	PSG0140 - Preplab - Orion Downs - ORD060PC - P1	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.77	PSG0140 - Preplab - Orion Downs - ORD060PC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.78	PSG0140 - Preplab - Orion Downs - ORD060PC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.79	PSG0140 - Preplab - Orion Downs - ORD060PC - P4	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.80	PSG0153 - Preplab - Orion Downs - ORD157HC - Final	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.81	PSG0194 - Preplab - Orion Downs - Inderi D6-D10	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.82	PSG0153 - Preplab - Orion Downs - ORD157HC - P2	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.2.2.83	PSG0153 - Preplab - Orion Downs - ORD157HC - P3	Orion Downs\Inderi\Coal Quality\Coal Quality Test Results\
1.2.3	Technical Reports	Orion Downs\Inderi\Technical Reports\
1.2.3.1	Review Orion Downs and Overlander	Orion Downs\Inderi\Technical Reports\
1.2.3.2	Endocoal10 - R1 Draft	Orion Downs\Inderi\Technical Reports\
1.2.3.3	Inderi JORC Report_Dec2011 Appendices and Figures	Orion Downs\Inderi\Technical Reports\
1.3	Tenement Data	Orion Downs\Tenement Data\
1.3.1	Renewals	Orion Downs\Tenement Data\Renewals\
1.3.1.1	110816OT_EPC1517 renewal application	Orion Downs\Tenement Data\Renewals\
1.3.1.2	111005RT Orion Downs EPC Renewal Report	Orion Downs\Tenement Data\Renewals\
1.3.1.3	111107LT Orion Downs Renewal	Orion Downs\Tenement Data\Renewals\
1.3.1.4	Application for renewal EPC1517	Orion Downs\Tenement Data\Renewals\
1.3.2	Variations	Orion Downs\Tenement Data\Variations\
1.3.2.1	EPC 1517 - Expenditure Approval	Orion Downs\Tenement Data\Variations\
1.3.2.2	120104LT_EPC 1517 Variation Letter	Orion Downs\Tenement Data\Variations\
1.3.2.3	120104LT_EPC 1517 Variation Letter (2)	Orion Downs\Tenement Data\Variations\
1.3.3	Conduct and Compensation Agreement - EPC1517 - Xstrata - Endocoal - 21.05.12	Orion Downs\Tenement Data\
1.3.4	EPC 1517 - Part 5, Form 2 - 11.02.09	Orion Downs\Tenement Data\
1.3.5	2011 Annual Expenditure statements Orion Downs	Orion Downs\Tenement Data\
1.3.6	Tenement Expenditure EPC1517 2012	Orion Downs\Tenement Data\
1.3.7	1517 EA Details	Orion Downs\Tenement Data\
1.3.8	EPC 1517 Noife CCA	Orion Downs\Tenement Data\
2.0	Meteor Downs South Development	Meteor Downs South Development\
2.1	Meteor Downs South Project Mining Evaluation Study	Meteor Downs South Development\
2.2	Meteor Downs South Project Mining Evaluation Study - Appendices	Meteor Downs South Development\
2.3	QRN Memorandum	Meteor Downs South Development\
2.4	WICET - EOI 4Mtpa capacity	Meteor Downs South Development\
2.5	120703 Meteor Downs South Financial Model	Meteor Downs South Development\
2.6	Data Room - DERM Advice - EIS Not Required for MDS	Meteor Downs South Development\
2.7	Data Room - MDS EMPlan - Table of Contents	Meteor Downs South Development\
2.8	MDS EMP Lodgement date DEHP response 040612	Meteor Downs South Development\
2.9	MDS - EMP Decision Process	Meteor Downs South Development\
2.10	MDS EA Application	Meteor Downs South Development\
2.11	Overview - Meteor Downs South - EMP work to date	Meteor Downs South Development\
3.0	Rockwood	Rockwood\
3.1	Geology	Rockwood\Geology\
3.1.1	Drill Holes	Rockwood\Geology\Drill Holes\
3.1.1.1	Geological Logs	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.1	RKD015	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.2	3.1.1.2. Read Me	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.3	Dictionaries	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.4	RKD001	Rockwood\Geology\Drill Holes\Geological Logs\

3.1.1.1.97	RKD073	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.98	RKD074	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.99	RKD075	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.100	RKD076	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.1.101	RKD078	Rockwood\Geology\Drill Holes\Geological Logs\
3.1.1.2	Geotechnical Logs	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.1	RKD042HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.2	3.1.1.3. Read Me	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.3	Dictionaries	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.4	RKD008HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.5	RKD009HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.6	RKD015HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.7	RKD016HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.8	RKD017HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.9	RKD018H1	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.10	RKD018HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.11	RKD019HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.12	RKD021HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.13	RKD025HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.14	RKD027HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.15	RKD028HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.16	RKD032HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.17	RKD038HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.18	RKD039H1	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.19	RKD039HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.20	RKD040HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.21	RKD065HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.22	RKD048HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.23	RKD050HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.24	RKD052HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.25	RKD054HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.26	RKD055HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.27	RKD057HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.2.28	RKD064HC	Rockwood\Geology\Drill Holes\Geotechnical Logs\
3.1.1.3	Rockwood	Rockwood\Geology\Drill Holes\
3.2	Coal Quality	Rockwood\Coal Quality\
3.2.1	Quality Reports	Rockwood\Coal Quality\Quality Reports\
3.2.1.1	rockwood quality - Dunstone December 2010	Rockwood\Coal Quality\Quality Reports\
3.2.2	Test Results	Rockwood\Coal Quality\Test Results\
3.2.2.1	PS3171_RKD032HC	Rockwood\Coal Quality\Test Results\
3.2.2.2	3.2.2. Read me	Rockwood\Coal Quality\Test Results\
3.2.2.3	EndoCoal Final Report 21-12-10_RKD009HC	Rockwood\Coal Quality\Test Results\
3.2.2.4	EndoCoal RDK008 - 22004164	Rockwood\Coal Quality\Test Results\
3.2.2.5	EndoCoal RDK009 - 22004167	Rockwood\Coal Quality\Test Results\
3.2.2.6	EndoCoal RDK010 - 22004168	Rockwood\Coal Quality\Test Results\
3.2.2.7	PS2960 - petrography final_RKD009HC	Rockwood\Coal Quality\Test Results\
3.2.2.8	PS3105_RKD016HC	Rockwood\Coal Quality\Test Results\
3.2.2.9	PS3118_RKD018HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.10	PS3119_RKD027HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.11	PS3122_RKD025HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.12	PS3128_RKD018H1 Final	Rockwood\Coal Quality\Test Results\
3.2.2.13	PS3129_RKD028HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.14	PS3139_RKD017HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.15	PS3140_RKD015HC	Rockwood\Coal Quality\Test Results\
3.2.2.16	PS3142_RKD027H1	Rockwood\Coal Quality\Test Results\
3.2.2.17	PS3143_RKD025H1	Rockwood\Coal Quality\Test Results\
3.2.2.18	PS3144_RKD021H1	Rockwood\Coal Quality\Test Results\
3.2.2.19	PS3169_RKD040HC	Rockwood\Coal Quality\Test Results\
3.2.2.20	PS3170_RKD017H1	Rockwood\Coal Quality\Test Results\
3.2.2.21	PS3390_RKD072	Rockwood\Coal Quality\Test Results\
3.2.2.22	PS3205_RKD038HC	Rockwood\Coal Quality\Test Results\
3.2.2.23	PS3221_RKD048HC	Rockwood\Coal Quality\Test Results\
3.2.2.24	PS3222_RKD050HC	Rockwood\Coal Quality\Test Results\
3.2.2.25	PS3227_RKD054HC	Rockwood\Coal Quality\Test Results\
3.2.2.26	PS3228_RKD052HC	Rockwood\Coal Quality\Test Results\
3.2.2.27	PS3230_RKD055HC	Rockwood\Coal Quality\Test Results\
3.2.2.28	PS3231_RKD039H2 Final	Rockwood\Coal Quality\Test Results\
3.2.2.29	PS3232_RKD039HC Final	Rockwood\Coal Quality\Test Results\
3.2.2.30	PS3233_RKD057HC	Rockwood\Coal Quality\Test Results\
3.2.2.31	PS3235_RKD042HC	Rockwood\Coal Quality\Test Results\
3.2.2.32	PS3260_RKD064HC	Rockwood\Coal Quality\Test Results\
3.2.2.33	PS3381_RKD019HC preliminary	Rockwood\Coal Quality\Test Results\
3.2.2.34	PS3375_RKD065HCpreliminary	Rockwood\Coal Quality\Test Results\
3.2.3	Technical Marketing Reports	Rockwood\Coal Quality\Technical Marketing Reports\
3.2.3.1	Rockwood Coal Quality Report - November 2011 - 120113 - Data	Rockwood\Coal Quality\Technical Marketing Reports\
3.2.3.2	Rockwood Coal Quality Report - Attachment 1 - November 2011 - 120113 - Data Room	Rockwood\Coal Quality\Technical Marketing Reports\
3.3	Technical Reports	Rockwood\Technical Reports\
3.3.1	Review Rockwood and Rockwood 2	Rockwood\Technical Reports\
3.3.2	RKD009HC_REPORT_acoustic scanning	Rockwood\Technical Reports\
3.3.3	JORC Update Report EPC1514 Rockwood Figures and Appendices	Rockwood\Technical Reports\
3.3.4	JORC Update Report EPC1514 Rockwood July 2012	Rockwood\Technical Reports\
3.4	Tenement Data	Rockwood\Tenement Data\
3.4.1	Renewal	Rockwood\Tenement Data\Renewal\
3.4.1.1	110825OT_Rockwood EPC1514 Renewal Form	Rockwood\Tenement Data\Renewal\
3.4.1.2	1112020T_Rockwood EPC1514 Renewal Cover Letter	Rockwood\Tenement Data\Renewal\
3.4.1.3	1112080T_EPC1514 Renewal Report	Rockwood\Tenement Data\Renewal\
3.4.2	Variations	Rockwood\Tenement Data\Variations\
3.4.2.1	EPC 1514 - Expenditure Approval	Rockwood\Tenement Data\Variations\
3.4.2.2	1514 DEEDI April 2011 variation relinquishment approved	Rockwood\Tenement Data\Variations\
3.4.2.3	EPC 1514 Rockwood Variation Letter	Rockwood\Tenement Data\Variations\
3.4.2.4	120201LT_Rockwood Variation Letter	Rockwood\Tenement Data\Variations\

3.4.3	Conduct and Compensation Agreement - Jeppesen - EPC1514 -	Rockwood\Tenement Data\
3.4.4	Conduct and Compensation Agreement - EPC1514 - New - 21.05.12	Rockwood\Tenement Data\
3.4.5	EPC 1514 - Part 5, Form 2 - 11.03.09	Rockwood\Tenement Data\
3.4.6	Tenement Expenditure EPC1514 2012	Rockwood\Tenement Data\
3.4.7	1514 EA	Rockwood\Tenement Data\
3.4.8	Rockwood Measured Nth Res Area Aug12	Rockwood\Tenement Data\
3.4.9	Rockwood - cost to Indicated & measured 120817	Rockwood\Tenement Data\
4.0	Exploration Tenements	Exploration Tenements\
4.1	EPC1518 Sullivans Creek	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.1	Variations	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.1.1	111012LT_EPC 1518 Variation Letter DME	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.1.2	EPC 1518 Variation Letter DME	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.1.3	120330LT_Sullivan Creek Variation Letter DNW	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.1.4	Letter - DNRM to EOC - EPC1518 - approval of variation - 17.07.12	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.1.5	Tenement Expenditure_Sullivan Creek	Exploration Tenements\EPC1518 Sullivans Creek\Variations\
4.1.2	4.6.1.1. Read Me	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.3	Review of Sullivan Creek EPC1518 January 2012	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.4	EPC 1518 - Part 5, Form 2 - 04-05-2010	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.5	Environmental Authority - Annual Return - EPC1518 - 2012	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.6	Tenement Expenditure - Sullivan Creek - 2012 Annual Report	Exploration Tenements\EPC1518 Sullivans Creek\
4.1.7	Adant Rail Project 310712	Exploration Tenements\EPC1518 Sullivans Creek\
4.2	EPC1590 Talwood	Exploration Tenements\EPC1590 Talwood\
4.2.1	4.7.1.1. Read Me	Exploration Tenements\EPC1590 Talwood\
4.2.2	Dictionaries	Exploration Tenements\EPC1590 Talwood\
4.2.3	TLD001-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.4	TLD001-Header	Exploration Tenements\EPC1590 Talwood\
4.2.5	TLD002-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.6	TLD002HC-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.7	TLD002HC-Header	Exploration Tenements\EPC1590 Talwood\
4.2.8	TLD002-Header	Exploration Tenements\EPC1590 Talwood\
4.2.9	TLD003-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.10	TLD003-Header	Exploration Tenements\EPC1590 Talwood\
4.2.11	TLD004-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.12	TLD004-Header	Exploration Tenements\EPC1590 Talwood\
4.2.13	TLD005-Geology	Exploration Tenements\EPC1590 Talwood\
4.2.14	TLD005-Header	Exploration Tenements\EPC1590 Talwood\
4.2.15	Review of Talwood EPC1590 January 2012	Exploration Tenements\EPC1590 Talwood\
4.2.16	EPC 1590 - Part 5, Form 2 - 22.10.10	Exploration Tenements\EPC1590 Talwood\
4.2.17	Conduct and Compensation Agreement - EPC1590 - Masons and Others - Endocool - 18.04.12	Exploration Tenements\EPC1590 Talwood\
4.2.18	1590 EA	Exploration Tenements\EPC1590 Talwood\
4.3	North Galilee Tenements	Exploration Tenements\North Galilee Tenements\
4.3.1	Milray Deep Creek Sandlands Creek - Geology review 120711	Exploration Tenements\North Galilee Tenements\
4.3.2	101101 EPCA Milray	Exploration Tenements\North Galilee Tenements\
4.3.3	111031OT_Deep Creek EA App form	Exploration Tenements\North Galilee Tenements\
4.3.4	111031RT_Deep Creek EPC App Program of Works 1	Exploration Tenements\North Galilee Tenements\
4.3.5	EPC2348 Sandlands Application	Exploration Tenements\North Galilee Tenements\
4.3.6	EPC 2348 Sandlands Acknowl app	Exploration Tenements\North Galilee Tenements\
4.4	EPC1512 Expedition Peak	Exploration Tenements\EPC1512 Expedition Peak\
4.4.1	Renewal	Exploration Tenements\EPC1512 Expedition Peak\Renewal\
4.4.1.1	110825OT_Expedition Peak EPC1512 Renewal Form	Exploration Tenements\EPC1512 Expedition Peak\Renewal\
4.4.1.2	111202OT_Expedition Peak EPC1512 Renewal Cover Letter	Exploration Tenements\EPC1512 Expedition Peak\Renewal\
4.4.1.3	111208OT_EPC1512 Renewal Report	Exploration Tenements\EPC1512 Expedition Peak\Renewal\
4.4.1.4	Application for Renewal Expedition Peak	Exploration Tenements\EPC1512 Expedition Peak\Renewal\
4.4.2	Variations	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.2.1	120210LT_EPC1512 variation	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.2.2	EPC 1512 Expedition Peak Variation Letter	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.2.3	EPC 1512 Expedition Peak Variation Request	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.2.4	EPC 1512 EXPK SBBLK letter Feb 2011	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.2.5	120210LT_Expedition Peak Variation Request Letter	Exploration Tenements\EPC1512 Expedition Peak\Variations\
4.4.3	4.1.1.1. Read Me	Exploration Tenements\EPC1512 Expedition Peak\
4.4.4	Review of Expedition Peak EPC1512 January 2012	Exploration Tenements\EPC1512 Expedition Peak\
4.4.5	EPC 1512 Part 5, Form 2 - 10.03.10	Exploration Tenements\EPC1512 Expedition Peak\
4.4.6	Environmental Authority - Annual Return - EPC1512 - 2012	Exploration Tenements\EPC1512 Expedition Peak\
4.4.7	Tenement Expenditure EPC1512 2012	Exploration Tenements\EPC1512 Expedition Peak\
4.4.8	2011 Expenditure statements_ Expedition Peak	Exploration Tenements\EPC1512 Expedition Peak\
4.4.9	1512 EA Details	Exploration Tenements\EPC1512 Expedition Peak\
4.5	EPC1513 Nebo	Exploration Tenements\EPC1513 Nebo\
4.5.1	Variations	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.1.1	111024LT_EPC 1513 Variation Letter	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.1.2	EPC 1513 Variation Letter DME	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.1.3	120402LT_Nebo EPC 1513 Expenditure Variation Letter	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.1.4	120404LT_Nebo EPC 1513 Variation Letter_Sub-block Relinquishment Schedule DNW	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.1.5	Letter - DNRM to EOC - EPC1513 - approval of variation - 12.07.12	Exploration Tenements\EPC1513 Nebo\Variations\
4.5.2	4.2.1.1. Read Me	Exploration Tenements\EPC1513 Nebo\
4.5.3	Review of Nebo EPC1513 January 2012	Exploration Tenements\EPC1513 Nebo\
4.5.4	EPC 1513 Part 5, Form 2 - 11.05.10	Exploration Tenements\EPC1513 Nebo\
4.5.5	Environmental Authority - Annual Return - EPC1513 - 2012	Exploration Tenements\EPC1513 Nebo\
4.5.6	Tenement Expenditure_Nebo Barfield	Exploration Tenements\EPC1513 Nebo\
4.5.7	Tenement Expenditure - EPC1513 - Nebo - 19.06.12	Exploration Tenements\EPC1513 Nebo\
4.5.8	1513 EA Details	Exploration Tenements\EPC1513 Nebo\
4.6	EPC1515 Essex	Exploration Tenements\EPC1515 Essex\
4.6.1	Renewal	Exploration Tenements\EPC1515 Essex\Renewal\
4.6.1.1	110825OT_Essex EPC1515 Renewal Form	Exploration Tenements\EPC1515 Essex\Renewal\
4.6.1.2	111202OT_Essex EPC1515 Renewal Cover Letter	Exploration Tenements\EPC1515 Essex\Renewal\
4.6.1.3	111208OT_EPC1515 Renewal Report	Exploration Tenements\EPC1515 Essex\Renewal\
4.6.2	Variations	Exploration Tenements\EPC1515 Essex\Variations\
4.6.2.1	EPC 1515 Expenditure Approval	Exploration Tenements\EPC1515 Essex\Variations\
4.6.2.2	120210LT_variation EPC1515	Exploration Tenements\EPC1515 Essex\Variations\
4.6.2.3	EPC 1515 Essex Variation Letter	Exploration Tenements\EPC1515 Essex\Variations\

4.6.2.4	120201LT_Essex Variation Letter	Exploration Tenements\EPC1515 Essex\Variations\
4.6.2.5	120110LT_variation EPC1515 (2)	Exploration Tenements\EPC1515 Essex\Variations\
4.6.3	4.3.1.1. Read Me	Exploration Tenements\EPC1515 Essex\
4.6.4	Dictionaries	Exploration Tenements\EPC1515 Essex\
4.6.5	ESX001 Geology	Exploration Tenements\EPC1515 Essex\
4.6.6	ESX001 Headers	Exploration Tenements\EPC1515 Essex\
4.6.7	Essex EPC1515 Review January 2012	Exploration Tenements\EPC1515 Essex\
4.6.8	EPC 1515 - Part 5, Form 2 - 11-03-2010	Exploration Tenements\EPC1515 Essex\
4.6.9	Environmental Authority - Annual Return - EPC1515 - 2012	Exploration Tenements\EPC1515 Essex\
4.6.10	Tenement Expenditure EPC1515 2012	Exploration Tenements\EPC1515 Essex\
4.6.11	Endocoal_Annual Expenditure statements_Essex_DME	Exploration Tenements\EPC1515 Essex\
4.6.12	ENDOCOAL_ESSEX_11FEB11	Exploration Tenements\EPC1515 Essex\
4.6.13	1515 EA Details	Exploration Tenements\EPC1515 Essex\
4.7	EPC1516 & EPC1620 Cedars & Barfield	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.1	Renewal	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.1	1112080T_EPC1516 Renewal Report	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.2	1108250T_Cedars EPC1516 Renewal Form	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.3	1112020T_Cedars EPC1516 Renewal Cover Letter	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.4	Renewal letter EPC1620	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.5	120125LT_Barfield EPC1620 Renewal Cover Letter	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.6	1201250T_Barfield EPC1620 Renewal Form	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.7	1201250T_EPC1620 Renewal Report	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.8	120403LT_Barfield EPC renewal Information request	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.1.9	Barfield Renewal	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Renewal\
4.7.2	Variations	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.1	120210LT_variation EPC1515	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.2	EPC 1516 Cedars Expenditure Variation	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.3	120201LT_Cedars Variation Letter	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.4	EPC 1620 - Expenditure Approval	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.5	111024LT_EPC 1620 Variation Letter DME	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.6	EPC 1620 Variation Letter DME 26511	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.2.7	120403LT_Barfield EPC 1620 Variation Letter	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\Variations\
4.7.3	4.4.1.1. Read Me	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.4	Review - Cedars EPC1516 Barfield EPC1620 Jan 2012	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.5	EPC 1516 Part 5, Form 2 - 10.03.09	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.6	Environmental Authority - Annual Return - EPC1516 - 2012	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.7	Tenement Expenditure_Barfield_2010_11	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.8	2011 Annual Expenditure statements_Cedars	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.9	Endocoal_Annual Expenditure Statements_Barfield	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.10	Endocoal_Annual Expenditure statements_Cedars_DME	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.11	Tenement Expenditure EPC1516 2012	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.12	1516 EA Details	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.7.13	1620 EA Details	Exploration Tenements\EPC1516 & EPC1620 Cedars & Barfield\
4.8	EPC2339 Stockyard Creek	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.1	4.8.1.1. Read Me	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.2	Dictionaries	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.3	STK001-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.4	STK001-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.5	STK002-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.6	STK002-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.7	STK003-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.8	STK003H1-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.9	STK003H1-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.10	STK003HC-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.11	STK003HC-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.12	STK003-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.13	STK004-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.14	STK004-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.15	STK005-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.16	STK005-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.17	STK006-Geology	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.18	STK006-Headers	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.19	Review - Cedars EPC1516 Barfield EPC1620 Jan 2012	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.20	Stockyard Creek Update 18 July 2012	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.21	EPC 2339 - Part 5, Form 2 - 09.08.11	Exploration Tenements\EPC2339 Stockyard Creek\
4.8.22	2339 EA Details	Exploration Tenements\EPC2339 Stockyard Creek\
4.9	EPC1803 Duaringa	Exploration Tenements\EPC1803 Duaringa\
4.9.1	4.9.1.1. Read Me	Exploration Tenements\EPC1803 Duaringa\
4.9.2	Review of Springton EPC1511 January 2012	Exploration Tenements\EPC1803 Duaringa\
4.9.3	4.9. Read Me - Notes on Tenement Name Change	Exploration Tenements\EPC1803 Duaringa\
4.9.4	EPC 1803 - Part 5, Form 2 - 24.01.12	Exploration Tenements\EPC1803 Duaringa\
4.9.5	Environmental Authority - Annual Return - EPC1803 - 2012	Exploration Tenements\EPC1803 Duaringa\
4.9.6	Endocoal_Annual Expenditure statements_SpringtonDuaringa 1511_DME	Exploration Tenements\EPC1803 Duaringa\
4.9.7	1803 EA Details	Exploration Tenements\EPC1803 Duaringa\
4.10	EPC 2022 - Part 5, Form 2 - 12.10.10	Exploration Tenements\
4.11	EPC 2025 - Part 5, Form 2 - 14.02.12	Exploration Tenements\
4.12	Annual Return - EA - EPC 2283 - 30.05.12	Exploration Tenements\
4.13	EPC 2339 - Part 5, Form 2 - 09.08.11	Exploration Tenements\
4.14	EPC 1620 - Part 5, Form 2 - 21-05-2009	Exploration Tenements\
4.15	Annual Return - EA - EPC 2253 - 29.05.12	Exploration Tenements\
4.16	2022 EA Details	Exploration Tenements\
4.17	2025 EA Details	Exploration Tenements\
4.18	1107290T_Devilin Creek EPC Application form	Exploration Tenements\
4.19	110801RT_Devilin Creek EPC App Program of Works FINAL	Exploration Tenements\
4.20	EPC 2173 Bundarra Application	Exploration Tenements\
5.0	Corporate	Corporate\
5.1	Financial	Corporate\Financial\
5.1.1	Annual Reports	Corporate\Financial\Annual Reports\
5.1.1.1	Shareholder Review 2011 ASX lodged	Corporate\Financial\Annual Reports\
5.1.1.2	Endocoal Annual Report signed 16 09 2011	Corporate\Financial\Annual Reports\
5.1.2	Broker Reports	Corporate\Financial\Broker Reports\

5.1.2.1	AustockResearchReport 200212	Corporate\Financial\Broker Reports\
5.1.2.2	Cannacord BGF 131211	Corporate\Financial\Broker Reports\
5.1.2.3	Foster Stockbroking 090312	Corporate\Financial\Broker Reports\
5.1.2.4	Helmsec 140612	Corporate\Financial\Broker Reports\
5.1.3	EOC exploration spend to 310712	Corporate\Financial\
5.1.4	ANZ agreement	Corporate\Financial\
5.1.5	Gree Copy	Corporate\Financial\
5.1.6	Endocoal Lead Schedules Dec 2011	Corporate\Financial\
5.1.7	Leather - Employee Share Scheme - GT 2009	Corporate\Financial\
5.1.8	Updated Budget 191012	Corporate\Financial\
5.2	Legal	Corporate\Legal\
5.2.1	Contracts	Corporate\Legal\Contracts\
5.2.1.1	Endocoal Employee Contractor Details 121018	Corporate\Legal\Contracts\
5.2.1.2	T.Hedley_Contract	Corporate\Legal\Contracts\
5.2.1.3	CEO Pay Increase 121018	Corporate\Legal\Contracts\
5.2.1.4	P.Edwards_Contract	Corporate\Legal\Contracts\
5.2.1.5	A.Krelle_Contract	Corporate\Legal\Contracts\
5.2.1.6	C.Lord_Contract	Corporate\Legal\Contracts\
5.2.1.7	C.Tomko_Contract	Corporate\Legal\Contracts\
5.2.1.8	D.Rahman_Contract	Corporate\Legal\Contracts\
5.2.1.9	D.Richardson_Contract	Corporate\Legal\Contracts\
5.2.1.10	D.Walker_Contract	Corporate\Legal\Contracts\
5.2.1.11	K.Hyland_Contract	Corporate\Legal\Contracts\
5.2.1.12	L.Gonzales_Contract	Corporate\Legal\Contracts\
5.2.1.13	S.Moore_Contract	Corporate\Legal\Contracts\
5.2.1.14	T.Murphy_Contract	Corporate\Legal\Contracts\
5.2.1.15	Information Request - Employee Performance and Salary Review 191012	Corporate\Legal\Contracts\
5.2.2	MLA for MDS - Endocoal Initial Development Plan - April 2011	Corporate\Legal\
5.2.3	Mining Lease Application No.70452 - MDS - Mining Register Advice	Corporate\Legal\
5.2.4	Tenement Database - overview - 27 06 12	Corporate\Legal\
5.2.5	Heads of agreement EOC CLR	Corporate\Legal\
5.2.6	Exploration_Geologist_Contract	Corporate\Legal\
5.2.7	Office_Based_Contract	Corporate\Legal\
5.2.8	EOC ASIC Registration	Corporate\Legal\
5.2.9	Replacement Constitution for Endocoal Limited (ASX)	Corporate\Legal\
5.2.10	CFO - P Edwards - Employment Contract 070512	Corporate\Legal\
5.2.11	CEO contract - Tim Hedley 120730	Corporate\Legal\
5.2.12	File Note - SCL - 29 08 12	Corporate\Legal\
5.2.13	Tenements EOC Database - 19 10 12	Corporate\Legal\
5.3	Corporate	Corporate\Corporate\
5.3.1	Issued Capital	Corporate\Corporate\Issued Capital\
5.3.1.1	Options and Rights Holders	Corporate\Corporate\Issued Capital\
5.3.1.2	EOC Securities on Issue - 270612	Corporate\Corporate\Issued Capital\
5.3.1.3	Options and Share Rights Outline - 161012	Corporate\Corporate\Issued Capital\
5.3.1.4	13. 3B Last Disclosed 2012	Corporate\Corporate\Issued Capital\
5.3.1.5	12. 3B Share Rights to Acquire Options 8 Mar 2012 - Lapse	Corporate\Corporate\Issued Capital\
5.3.1.6	11. 3B Share Rights to Acquire Options 28 Apr 2011	Corporate\Corporate\Issued Capital\
5.3.1.7	10. 3B Share Rights to Acquire Options 15 Jun 2010	Corporate\Corporate\Issued Capital\
5.3.1.8	9. Right to Acquire Options Prospectus Disclosure 7 Apr 2010	Corporate\Corporate\Issued Capital\
5.3.1.9	8. 3B Employee Share Option Plan 5 Apr 2012	Corporate\Corporate\Issued Capital\
5.3.1.10	7. 3B Employee Share Option Plan 16 Mar 2012	Corporate\Corporate\Issued Capital\
5.3.1.11	6. 3B Employee Share Option Plan 8 Sep 2011	Corporate\Corporate\Issued Capital\
5.3.1.12	5. ESOP Rules 15 Oct 2010	Corporate\Corporate\Issued Capital\
5.3.1.13	4. 3B Director Options EGM Approved 10 Aug 2011	Corporate\Corporate\Issued Capital\
5.3.1.14	3. NOM - Director Option Terms - 10 Aug 2011	Corporate\Corporate\Issued Capital\
5.3.1.15	2. Terms of Unlisted Options Prospectus Disclosure 7 Apr 2010	Corporate\Corporate\Issued Capital\
5.3.1.16	1. Unlisted Options Terms 29 April 2010	Corporate\Corporate\Issued Capital\
5.3.1.17	14. Details of Options and Rights Holders (Including holders names) 181012	Corporate\Corporate\Issued Capital\
5.3.1.18	Endocoal - Drilling Services Agreement - Eastern Drilling 7 April 2011	Corporate\Corporate\Issued Capital\
5.3.1.19	Endocoal - Drilling Services Agreement - Drillstrals 7 April 2011	Corporate\Corporate\Issued Capital\
5.3.1.20	Endocoal - Drilling Services Agreement - AJ Rehabilitation 7 April 2011	Corporate\Corporate\Issued Capital\
5.3.1.21	Endocoal - Drilling Services Agreement - M&J Drilling 7 April 2011	Corporate\Corporate\Issued Capital\
5.3.2	Internal Update - EOC CLR JV Timetable	Corporate\Corporate\
5.4	Native Title	Corporate\Native Title\
5.4.1	EPC 1518 and EPC 1590 - Exploration Agreement - 30.08.10	Corporate\Native Title\
5.4.2	EPC 1517 Cultural Heritage Agreement - Bidjara People	Corporate\Native Title\
5.4.3	EPC 1513 - CHMP - Exploration Agreement - 20.10.10	Corporate\Native Title\
5.5	Presentation - Australian Multiple Thin Seam Mining - Sept2012	Corporate\