

## **DELAY TO SECOND COURT HEARING REGARDING THE PROPOSED SCHEME OF ARRANGEMENT WITH U&D MINING**

**7 March 2013**

### **Delay to the Second Court Approval Date**

Endocoal Limited (ASX: EOC, **Endocoal**) would like to update Shareholders on the status of the proposed Scheme of Arrangement (**Scheme**) with U&D Mining Industry (Australia) Pty Ltd (**U&D Mining**).

In accordance with the original timetable as set out in the Scheme booklet, on 28 February 2013 Endocoal's Shareholders voted in favour of the Scheme.

As previously announced, the Scheme is subject to firstly, approval by certain stipulated Chinese regulatory bodies and then secondly, by the Federal Court of Australia (the **Court**). A hearing before the Court to approve the Scheme (**Second Court Hearing**) was originally scheduled for Friday, 8 March 2013.

The Endocoal Board now advises that as at the time of this announcement the Chinese regulatory approvals have not yet been received. Therefore to allow sufficient time for the regulatory approvals to be received, after 4pm on 6 March 2013 the Court was notified that at the hearing on Friday 8 March Endocoal will make a request for the Second Court Hearing to be adjourned until late April, but prior to the Scheme end date of 25 April 2013. The actual date for the Second Court Hearing will be subject to the Court's absolute discretion and once known Endocoal will advise the ASX and its Shareholders.

In relation to the progress of the Chinese regulatory approval process, the Endocoal Board received the following update from U&D Mining on the afternoon of 6 March 2013:

*"U&D Mining has submitted all of the relevant applications to the relevant Chinese regulatory and governmental authorities and agencies. Through Yima Group (U&D Mining's 51% shareholder), U&D Mining has made numerous representations and met with the relevant Chinese governmental officials.*

*U&D Mining has received indication that the approval applications and process are under way and they are currently at an advanced stage.*

*The application processes with these Chinese regulatory and governmental authorities and agencies are conducted in conjunction with each other and U&D Mining anticipates that all the approvals will be granted concurrently.*

*U&D Mining and Yima Group anticipate hearing from the State-owned Assets Supervision and Administration Commission (**SASAC**) in April following the change of senior personnel and leadership within SASAC. U&D Mining expects that approvals from the Ministry of Commerce of the People's Republic of China, the National Development and Reform Commission of China and the State Administration of Foreign Exchange of China will follow suit after SASAC's approval.*

*U&D Mining continues to make representations and meet with the relevant Chinese governmental officials in order to secure all of the relevant China approvals. U&D Mining has also kept these officials fully informed of other conditions precedent that have been satisfied under the Scheme Implementation Agreement (such as FIRB, shareholders' approval etc)*

*The change of leadership currently underway in China which affects all levels of government has delayed the timeliness of the usual approval process for transaction of this nature ... Under the circumstances, U&D Mining believes they have taken all reasonable steps and exercised their best endeavours to facilitate the obtaining of all the China approvals."*

As previously announced to the ASX, under the Scheme Implementation Agreement between Endocoal and U&D Mining in relation to the Scheme (**SIA**), U&D Mining has until 25 April 2013 to obtain the Chinese regulatory approvals. If the Chinese regulatory approvals have not been received by that date, Endocoal may terminate the SIA unless U&D Mining requests a two month extension, which Endocoal must not unreasonably refuse.

Endocoal will continue to work with U&D Mining to ensure that the Chinese approvals are received in a timely manner.

The Endocoal Board has no reason to believe that the Chinese regulatory approvals will not be forthcoming and therefore continues to unanimously support the proposed Scheme, in the absence of a superior proposal.

Once the Chinese regulatory approvals have been received, the Scheme will not become effective until it is approved by the Court at the Second Court Hearing. Scheme completion is then expected to occur 2-3 weeks after approval at the Second Court Hearing.

Endocoal will provide further updates to Shareholders on the progress of the transaction as necessary and as further information becomes available.

### **Further Information**

If Endocoal shareholders have any questions regarding the proposed Scheme they are urged to contact the Endocoal Company Secretary, Peter Edwards, on 07 3720 9300 (within Australia) or +61 7 3720 9300 (outside Australia) from 9:00am to 5:00pm Australian Eastern Standard Time.

Yours faithfully



Peter Edwards  
Company Secretary

**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 (ASX: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 &amp; Rights: 20.8m

**Directors & Management****Phillip McCarthy**

Non-Executive Chairman

**Lex Hansen**

Non-Executive Director

**Tim Hedley**

CEO &amp; Managing Director

**Gavin Solomon**

Non-Executive Director

**Peter Edwards**

CFO and Company Secretary

**Ray Miller**

Non-Executive Director