



ASX Announcement

31 January 2014

Cancellation of Doyles Creek Exploration Licence

Shareholders are advised that the NSW Government yesterday passed legislation that cancels the Company's major asset, EL 7270, following a recommendation by the ICAC that such action should be taken. The legislation goes further by denying NuCoal the ability to seek compensation, notwithstanding that the ICAC recommended that any special legislation could be accompanied by a power to compensate any innocent person affected. The legislation also prevents the State from having any liability for its past conduct.

Another feature of the legislation is that it takes from NuCoal all its accumulated exploration data, which was obtained via the expenditure of over \$40m, and gives the State the right to provide this data to new bidders for the Doyles Creek area when it puts the area back out to tender – as we believe will invariably happen given the quality of the coal resources at Doyles Creek. In other words the Government has legislated that it can sell information which it has usurped from an innocent party and sell it to other parties.

NuCoal strongly refutes the ICAC's findings that NuCoal did not acquire EL 7270 as a bona fide purchaser for value without notice of the alleged corruption. For the reasons set out in its 15 January 2014 submission, a public copy of which is available on its website, NuCoal did not have, and could not have had, any knowledge of the alleged corruption which was found by the ICAC. Until the ICAC's findings, the validity of EL 7270 was confirmed by numerous sources, including an independent probity report from O'Connor Marsden. No question was ever raised by regulatory bodies such as the ASX and ASIC. Despite these facts, the ICAC found that NuCoal acquired EL 7270 with knowledge of the alleged corruption found by the ICAC some 3 years after the acquisition. NuCoal has been denied the opportunity to vindicate its position in a judicial forum.

NuCoal believes that the legislation is unjust. It is not believable that the legislation represented the only method available to the Government to stamp out corruption. By the special legislation, the Government will effectively penalise NuCoal in the absence of any proper court examination of the facts and any adverse judicial pronouncement.

Registered Office
Suite 1, 4 Honeysuckle Drive,
Newcastle NSW 2300
T +61 2 4925 8600
F +61 2 4925 8699
E admin@nucoal.com.au
www.nucoal.com.au

ASX:NCR • Share Information
Issued Shares: 768.6m

Board of Directors

Chairman:	G. Galt
Managing Director:	G. Lewis
Non Executive Director:	J. Beecher
Non Executive Director:	M. Davies
Company Secretary:	M. Etccl

Neither NuCoal nor its current directors have ever been charged or convicted of any corruption, yet NuCoal is the only party affected by the alleged corruption of others in relation to the Doyles Creek tenement.

NuCoal provided the NSW Government with a workable and fair alternative to the special legislation, as set out in its submission of 15 January 2014. The alternative was never explored by the Government which instead, and without explanation, refused to meet with NuCoal to evaluate it. The Government has opted for a lose-lose conclusion to the matter explored in Operation Acacia.

NuCoal will review the legislation in detail and will pursue all available actions to protect the legal rights of the Company and its shareholders.

For all enquiries please contact:

Glen Lewis
Managing Director
Telephone: +2 4925 8600