



Prospectus

Cockatoo Coal Limited ABN 13 112 682 158 (**Cockatoo Coal** or **Company**)

Details of a 13.7 for 1 accelerated renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in the Company (**New Shares**) at a price of \$0.002 per New Share (**Offer Price**)

Retail Entitlement Offer closes at 5.00pm (Sydney time) on 26 February 2015 (unless extended). Valid applications must be received before that time

Underwritten and managed by BBY Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

THIS IS AN IMPORTANT DOCUMENT WHICH IS ACCOMPANIED BY A PERSONALISED ENTITLEMENT AND ACCEPTANCE FORM AND BOTH SHOULD BE READ IN THEIR ENTIRETY. PLEASE CALL YOUR STOCKBROKER, ACCOUNTANT, FINANCIAL ADVISER, TAXATION ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER OR THE SHARE REGISTRY IF YOU HAVE ANY QUESTIONS.

Important information

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This prospectus relates to the 13.7 for 1 Retail Entitlement Offer of New Shares by Cockatoo Coal Limited ABN 13 112 682 158 (**Prospectus**).

Lodgement and quotation

This Prospectus is dated 13 February 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. None of ASIC, ASX Limited (**ASX**) or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has applied to ASX for quotation of the New Shares on ASX. This Prospectus expires on 13 March 2016, the date which is 13 months after the Lodgement Date (**Expiry Date**), and no New Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risks that should be considered by prospective investors are set out in Appendix C of the investor presentation in relation to the Entitlement Offer given to ASX on 5 February 2015 and reproduced in this Prospectus (**Investor Presentation**). There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on either the New Shares or the Additional New Shares (defined below) (if applicable).

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. You should rely only on information contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the directors of the Company (**Directors**).

Your right to acquire New Shares under the Retail Entitlement Offer is not privately transferrable. Eligible Retail Shareholders should carefully read and follow the instructions in section 4 of the 'Details of the Retail Entitlement Offer and how to apply' section of the Prospectus and on the back of the accompanying personalised Entitlement and Acceptance Form (as defined below) when making the decision to invest in New Shares (or Additional New Shares, if applicable to you).

Obtaining a copy of this Prospectus

Eligible Retail Shareholders (as defined in section 5 of the 'Additional information' section) will receive a copy of this Prospectus together with an accompanying personalised Entitlement and Acceptance Form. Eligible Retail Shareholders in Australia and New Zealand can also obtain a copy of this Prospectus (free of charge) during the Retail Entitlement Offer period (as defined below) from the Company's website at www.cockatoocoal.com.au or by calling the Share Registry on 1300 552 270 (from within Australia) or +61 3 9415 4000 (from outside of Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday during the Retail Entitlement Offer period. Shareholders in other jurisdictions (including the United

States), or who are, or are acting for the account or benefit of, a person in the United States are not entitled to access the electronic version of this Prospectus. Eligible Retail Shareholders who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus. The electronic version of the Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form.

Statements of past performance

Past performance and pro forma financial information included in this Prospectus (and in the Investor Presentation reproduced herein) is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Prospectus is, or is based on, information that has previously been released to the market.

Investors should also be aware that certain financial data included in this Prospectus (and in the Investor Presentation reproduced herein) may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. The disclosure of such non-GAAP financial measures in the manner included in this Prospectus (and in the Investor Presentation) would not be permissible in a registration statement under the U.S. Securities Act. The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios (if any) included in this Prospectus (or in the Investor Presentation reproduced herein).

Financial information and forward looking statements

Section 2 of the 'Purpose and Effect of the Entitlement Offer' section sets out the financial information referred to in the Prospectus. All dollar values are in Australian dollars (\$ or A\$), rounded to the nearest \$0.1 million and financial data is presented as at or for the year ended 30 June 2014 unless stated otherwise. The pro forma historical financial information included in this Prospectus (and the Investor Presentation reproduced herein) does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and prospective investors are cautioned against placing undue reliance on these forward looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, risk factors as set out in Appendix C of the Investor Presentation reproduced in the Prospectus as well as the other information in this Prospectus.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Photographs and diagrams

Photographs and diagrams used in this Prospectus (or in the Investor Presentation reproduced herein) that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus (or in the Investor Presentation reproduced herein) are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Company website

Any references to documents included on the Company's website at www.cockatoocoal.com.au are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference.

Defined terms and time

Capitalised terms and abbreviations used in this Prospectus have the meanings given to them in the Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Disclaimer

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in section 8 of the 'Details of the Retail Entitlement Offer and how to apply' section of this Prospectus, it is expected that the New Shares (and Additional New Shares, if applicable) will be quoted on ASX. The Company, the Underwriter and the Share Registry (in each case, as defined below) disclaim all liability, whether in negligence or otherwise, to persons who trade New Shares (or Additional New Shares, if applicable) before receiving their holding statements.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares, the Additional New Shares or the Entitlement Offer, or to otherwise permit a public offering of New Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares (or Additional New Shares, if any) have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares (and Additional New Shares, if any) are registered under the U.S. Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

For further detail please see the Foreign Selling Restrictions set out in Annexure D of the Investor Presentation reproduced in this Prospectus.

Important information for New Zealand investors

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). The offer of New Shares is renounceable in favour of members of the public.

Privacy

By filling out the personalised Entitlement and Acceptance Form to apply for New Shares (and Additional New Shares, if applicable to you), you are providing personal information to the Company through the Company's securities registry, Computershare Investor Services Pty Limited (**Share Registry**), which is contracted by the Company to manage applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the personalised Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its members) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory set out on the last page of this Prospectus.

Prospectus

Investment overview	12
Details of the Retail Entitlement Offer and how to apply	21
Purpose and effect of the Entitlement Offer	29
Investor Presentation	33
Additional information	80
Glossary	99
Corporate directory	102

Enquiries

Before making a decision about investing in the Retail Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

- (a) complete the personalised entitlement and acceptance form accompanying this Prospectus which Eligible Retail Shareholders (as defined in section 2 of the 'Additional information' section of this Prospectus) may use to apply for New Shares (**Entitlement and Acceptance Form**); or
- (b) take up the New Shares offered to you under the Entitlement Offer (your **Entitlement**), either in full or in part; or
- (d) take up your full Entitlement and apply for Additional New Shares (as defined below),

please call the Share Registry between 8.30am and 5.30pm (Sydney time) Monday to Friday during the period from and including the date on which the Retail Entitlement Offer opens until and including the date on which it closes (**Retail Entitlement Offer period**):

Within Australia: 1300 552 270

Outside Australia: +61 3 9415 4000

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement (and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild (defined below) on your behalf). You should note that if you renounce all or part of your Entitlement, then your percentage holding in Cockatoo Coal will be diluted by your non-participation in the Retail Entitlement Offer.

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above. Alternatively, if you have internet access and have the Securityholder Reference Number or Holder Identification Number for your holding(s), you can download a replacement form from the Share Registry's secure website at www.investorcentre.com.

Website

To view annual reports, shareholder and information about the Company and its subsidiaries (**Cockatoo Coal Group**), announcements, background information on the Cockatoo Coal Group's operations and historical information, visit the Company's website at www.cockatoocoal.com.au.

Key Retail Entitlement Offer dates

Event	Date
Institutional Entitlement Offer	5 February 2015
Institutional Bookbuild	9 February 2015
Shares quoted ex-entitlement on ASX	10 February 2015
Record date for the Entitlement Offer (Record Date)	7.00pm (Sydney time) on 10 February 2015
Retail Entitlement Offer opens	9.00am (Sydney time) on 13 February 2015
Mailing of personalised Entitlement and Acceptance Form and this Prospectus to Eligible Retail Shareholders completed	13 February 2015
Institutional Entitlement Offer settlement date	18 February 2015
Issue and quotation of New Shares issued under the Institutional Entitlement Offer	19 February 2015
Retail Entitlement Offer closes	5.00pm (Sydney time) on 26 February 2015
Retail Bookbuild (if required)	2 March 2015
Settlement of Retail Entitlement Offer	10 March 2015
Issue of New Shares and Additional New Shares under the Retail Entitlement Offer	11 March 2015
Normal trading of New Shares and Additional New Shares issued under the Retail Entitlement Offer expected to commence on ASX	12 March 2015
Retail Premium (if any) paid to Renouncing Shareholders	13 March 2015
Mailing of updated CHESS notices and issuer sponsored holding statements in relation to New Shares issued under the Retail Entitlement Offer completed	13 March 2015

Dates and times in this Prospectus are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

Chairman's letter

13 February 2015

Dear Shareholder,

On behalf of Cockatoo Coal Limited, I am pleased to be able to invite you to participate in a 13.7 for 1 pro-rata accelerated renounceable entitlement offer of New Shares in the Company at an Offer Price of \$0.002 per New Share. The Offer Price represents:

- a discount of approximately 86% to the closing price of ordinary shares in the Company (**Shares**) on ASX on 12 November 2014 (being the last day Shares were traded on ASX before the imposition of the trading halt (and subsequently, suspension) on 13 November 2014); and
- a 29% discount to the theoretical ex-rights price¹.

The Entitlement Offer comprises:

- an institutional component (**Institutional Entitlement Offer**); and
- a retail component (**Retail Entitlement Offer**).

The Institutional Entitlement Offer was completed on 9 February 2015 and, subject to satisfaction of certain conditions precedent, is expected to raise gross proceeds of approximately \$83.5 million.

The Retail Entitlement Offer is expected to raise gross proceeds of \$41.5 million. The gross proceeds of the Institutional Entitlement Offer and Retail Entitlement Offer, expected to be approximately \$125 million, will be used to fund the Baralaba Expansion project and to pay the costs of the Entitlement Offer².

This Prospectus relates to the Retail Entitlement Offer and the New Shares to be issued under it. The Offer Price of \$0.002 per New Share under the Retail Entitlement Offer is the same issue price paid by institutional investors under the Institutional Entitlement Offer.

New Shares issued under either component of the Entitlement Offer will rank equally with existing Shares.

The Entitlement Offer is fully underwritten by BBY Limited³ (**Underwriter**). The Underwriter has also entered into sub-underwriting arrangements with existing substantial Shareholders of the Company Noble Group Limited⁴ (**Noble Group**) and Harum Energy Australia Limited (**Harum**) and with a new U.S.-

¹ The theoretical ex-rights price (**TERP**) is a theoretical weighted average price at which Shares should trade immediately after the ex-date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

² The concept of a 'fully financed' Baralaba Expansion used in this Prospectus is subject to the completion of the transactions summarised in the Investor Presentation (which is reproduced in this Prospectus) and which are themselves subject to satisfaction of certain conditions (some of which are outside the control of the Company). The fully financed solution for the period 1 January 2015 to 31 December 2016 assumes a coal price based on equity research consensus, foreign exchange forecasts based on the forward curve and cost and capital assumptions as per the Company's current business plan. The Company expects that revenue generated from operations will also contribute to the Baralaba Expansion's required capital expenditures.

³ As is typical for an underwritten offer of this nature, the underwriting of the Entitlement Offer is conditional on the satisfaction of certain conditions precedent.

⁴ Noble Group's current approximately 23.14% Shareholding in the Company is held by its wholly-owned subsidiary Maylion Pty Limited.

based institutional investor Liberty Metals & Mining Holdings, LLC⁵ (**Liberty Metals & Mining**), a subsidiary of Boston-based Liberty Mutual Insurance, in relation to a significant proportion of the Entitlement Offer. The Company understands that the Underwriter will, in connection with these arrangements, pay sub-underwriting fees of not more than \$3.04 million to Noble Group and \$312,500 to Harum. No sub-underwriting fees are payable to Liberty Metals & Mining⁶.

Details of your Entitlement

As an Eligible Retail Shareholder you are entitled to subscribe for 13.7 New Shares for every 1 existing Share held at 7.00pm (Sydney time) on 10 February 2015.

Eligible Retail Shareholders may also apply for Additional New Shares at the Offer Price in excess of their Entitlement. Additional New Shares will only be allocated to Eligible Retail Shareholders if available and if and to the extent that the Company so determines, in its absolute discretion. The Company may apply any scale-back to applications for Additional New Shares in its absolute discretion.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement (and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild on your behalf). You should note that if you renounce all or part of your Entitlement, then your percentage holding in Cockatoo Coal will be diluted by your non-participation in the Retail Entitlement Offer⁷.

The renounceable nature of the Entitlement Offer allows all Eligible Retail Shareholders who do not take up some or all of their Entitlement (**Renouncing Shareholder**) to have those renounced Entitlements sold through a bookbuild process to be undertaken by the Underwriter (**Retail Bookbuild**). Any proceeds in excess of the Offer Price per New Share that may be achieved under the Retail Bookbuild (**Retail Premium**) will be remitted to Renouncing Shareholders (net of expenses and withholdings required by law) in proportion to the number of New Shares represented by their Entitlement. Further information in respect of renounced Entitlements is set out in section 5.2 of the 'Details of the Retail Entitlement Offer and how to apply' section of this Prospectus. Entitlements will not be able to be traded on ASX or another financial market, or otherwise privately transferred.

Only Eligible Retail Shareholders are entitled to participate in the Retail Entitlement Offer. To satisfy applicable ASX Listing Rule requirements, Cockatoo Coal expects to appoint a nominee and will issue that nominee with the entitlements to subscribe for New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange for the sale of those entitlements to certain institutional investors on or around 2 March 2015, and will work with Cockatoo Coal to distribute any Retail Premium (net of expenses and withholdings required by law) proportionately to Ineligible Retail Shareholders.

Taking up your Entitlement and applying for Additional New Shares

If you decide to take up all or part of your Entitlement (or take up all of your Entitlement and apply for Additional New Shares), there are two alternative ways you can pay your application monies (**Application Monies**):

- Post to Computershare Investor Services Pty Limited (**Share Registry**) your completed Entitlement and Acceptance Form, along with your Application Monies by cheque, bank draft or

⁵ See section 29 of the 'Additional information' section of this Prospectus for further detail in relation to Liberty Metals & Mining's participation in the Entitlement Offer including by way of the Top-Up Subscription Agreement.

⁶ \$2.5 million is however payable by Cockatoo Coal to Liberty Metals & Mining in consideration for Liberty Metals & Mining's entry into the Top-Up Subscription Agreement. See section 29 of the 'Additional information' section of this Prospectus for further detail in relation to the Top-Up Subscription Agreement and this payment.

⁷ Regardless of whether you participate in the Entitlement Offer, if Cockatoo Coal is required to issue additional New Shares under the Top-Up Subscription Agreement, your holding in the Company will be diluted in proportion to the size of that issuance.

money order. The Share Registry address is specified on the Entitlement and Acceptance Form and a reply paid envelope is provided in the package enclosing this Prospectus and your Entitlement and Acceptance Form; or

- Pay your Application Monies via BPAY®⁸. If you pay by BPAY you do not need to complete and post your Entitlement and Acceptance Form to the Share Registry.

It is important to note that the Retail Entitlement Offer closes at 5.00pm (Sydney time) on 26 February 2015. To participate, you need to ensure that your completed Entitlement and Acceptance Form and your Application Money is received by the Share Registry before this time and date **OR** you have paid your Application Money via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

See section 6 of the 'Details of the Retail Entitlement Offer and how to apply' section of this Prospectus for further information about payment methods.

Further information

Further information on the Retail Entitlement Offer and Cockatoo Coal Group's business is detailed in this Prospectus (and in the Investor Presentation reproduced herein). You should read the entirety of this Prospectus carefully before deciding whether to participate in the Entitlement Offer. An investment in the Company, the New Shares, or, if applicable to you, Additional New Shares is highly speculative and subject to a range of risks, which are more fully detailed in Appendix C of the Investor Presentation reproduced herein. Key risks to the business include the risk that the Company will not be able to access further funding on acceptable terms or at all, the risk that production will not ultimately commence at the Company's Baralaba coal mine and that the price of coal drops below a price that makes the Company's major projects financially unviable. If any of these risks or other material risks eventuate, it will likely have a material adverse impact on the Company's future financial performance and position.

If you would like further information regarding the Retail Entitlement Offer please call the Share Registry on 1300 552 270 (within Australia) or +61 3 9415 4000 (from outside Australia) or visit our website at www.cockatoocoal.com.au. For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser without delay. You should be aware that the Company has not had regard to your individual circumstances or needs, including your personal taxation or financial position, in sending this Prospectus and accompanying information to you and the Company is not licensed to provide financial product advice to you in relation to your Shares, the New Shares, the Entitlements or the Additional New Shares. If you have any doubt about whether you should invest in the Retail Entitlement Offer, you should seek professional advice before making any investment decision. Please note that no cooling-off period applies in relation to the Entitlement Offer – you cannot withdraw your application once it has been accepted.

On behalf of the Directors and management team of Cockatoo Coal, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Mr Peter Richards
Chairman

⁸ ® Registered to BPAY Pty Ltd ABN 69 079 137 518.

Investment overview

The purpose of this section is to give Shareholders an investment overview that helps them make an informed investment decision by highlighting key information. It is an introduction to the Retail Entitlement Offer and is not intended to replace the other sections of this Prospectus which Shareholders should read in full.

Topic	Summary	For more information
The Company and its business model		
Who is the issuer of the New Shares (and Additional New Shares, if any)?	Cockatoo Coal Limited ABN 13 112 682 158	Chairman's letter
What is the Company's business?	The Company is an ASX-listed coal exploration, development and production company. The Company's primary asset is the Baralaba mine complex in the Bowen Basin in Queensland, Australia. The Baralaba mine is a producer of high quality, predominately ultra-low volatile pulverised coal injected (PCI) coal which is exported from Australia for use in the steel making process.	Section 1 of the 'Details of the Retail Entitlement Offer and how to apply' section of this Prospectus
What is the Company's strategy?	The Company's core focus is the mining and development of the Baralaba mine (and, in particular, the Baralaba Expansion (discussed below)).	As above
What is the status of the Baralaba Expansion project?	The Company has commenced the Baralaba Expansion project. The Baralaba Expansion project will initially focus on the development of the Baralaba North mine (which is currently operating at an annualised production rate of approximately 1 million tonnes per annum (Mtpa)) with the objective of achieving project wide production of 3.5Mtpa in 2018. The Company has also submitted its voluntary Environmental Impact Statement (EIS) and associated Mining Lease Application (MLA) in relation to the Baralaba Expansion in accordance with new Queensland government mining legislation.	As above
Why was the ANZ PF Facility cancelled?	<p>As detailed on page 8 of the Investor Presentation, the ANZ PF Facility was cancelled by the Company for the following reasons:</p> <ul style="list-style-type: none"> the facility included financial covenants which were linked to the forecast price of coal. As the forecast price of coal was revised lower, the size (and availability) of the debt facility was materially reduced. Furthermore, the Company was of the view that the forecast coal price would not recover sufficiently to allow it to meaningfully 	As above

Topic	Summary	For more information
	<p>access the facility within the desired timeframes;</p> <ul style="list-style-type: none"> the facility required the Company to adhere to regulatory approval, construction and ramp-up milestones for the Baralaba Expansion which did not provide the Company with sufficient flexibility regarding the design and implementation of the mine plan and capital expenditure timetable; and the cancellation of the ANZ PF Facility resulted in cost savings to the Company of approximately \$5.63 million. 	
How has the Baralaba mine plan been re-optimised in response?	<p>As detailed in the Investor Presentation (which has been reproduced herein) and in response to challenging market conditions within the Australian coal sector, the Company initiated and completed a 'whole of business' review which has resulted in a new, scaled back and re-optimised mine plan for the Baralaba Expansion project. The results from this review include:</p> <ul style="list-style-type: none"> a new, scaled back and re-optimised mine plan for Baralaba which reduces overburden removed in advance and focuses the next 3 years of production on more efficient mining areas; a deferred capital expenditure schedule which, when combined with the sale of non-core assets, has materially reduced Baralaba's expected funding requirements to \$125 million; the deferred capital expenditure schedule (Cockatoo will now spread capital expenditure across the next 5 years)) noted above and the significantly reduced capital expenditure requirements for Baralaba will allow the Company to utilise project revenue to internally fund future expected funding requirements (thereby reducing the Company's reliance on external financing); a re-optimised pit design (which seeks to achieve maximum PCI recovery rates for the early part of the expansion project); more efficient utilisation of mining fleet (and CHPP facilities) and reduced labour force expected to reduce annual operating expenses; and more gradual production ramp up, with the 3.5Mtpa annual production target now expected to 	As above

Topic	Summary	For more information
	be achieved in the second half of 2018 (rather than in mid-2017).	
Is the Baralaba Expansion project now fully financed to completion?	Following the completion of the Entitlement Offer (to raise approximately \$125 million) and the completion of the other transactions summarised in the Investor Presentation (which includes the now complete sale of the Company's 51% interest in its North Surat joint venture for \$25 million), it is expected that Company's Baralaba Expansion project will be fully financed to completion. As noted above, it is expected that revenue generated from operations (based on current forecast coal prices and foreign exchange rates) will contribute to the Baralaba Expansion project's future funding requirements.	As above
Is the Entitlement Offer subject to Shareholder approval?	<p>No. The Entitlement Offer is not subject to Shareholder approval.</p> <p>However, Shareholder approval under ASX Listing Rule 10.1 is required in connection with the new 28Mt off-take agreement with Noble Group. A notice of meeting and explanatory statement in relation to the required Shareholder approval is expected to be mailed to all Shareholders in March 2015.</p> <p>Completion of the Entitlement Offer is not dependent on Shareholder approval being obtained in relation to the above noted off-take agreement with Noble Group. However, should Shareholder approval not be obtained, the Company will be required to pay Noble Group \$3.5 million.</p>	As above
The Entitlement Offer and the New Shares		
What is the Retail Entitlement Offer?	<p>The Entitlement Offer, which consists of:</p> <ul style="list-style-type: none"> the Institutional Entitlement Offer; and the Retail Entitlement Offer, <p>is an accelerated renounceable pro rata offer of New Shares in the Company.</p> <p>Under the Retail Entitlement Offer, Eligible Retail Shareholders will be given an Entitlement to subscribe for 13.7 New Shares for every 1 Share held as at the Record Date of 7.00pm (Sydney time) on 10 February 2015.</p> <p>Eligible Retail Shareholders can also apply for Additional New Shares in excess of their Entitlement.</p>	Chairman's letter
How much will the Company raise under the Entitlement	The Company will raise approximately \$125 million under the Entitlement Offer. Of this \$125 million,	As above

Topic	Summary	For more information
Offer?	approximately \$83.5 million will be raised under the Institutional Entitlement Offer and further approximately \$41.5 million is expected to be raised under the Retail Entitlement Offer.	
What will the proceeds of the Entitlement Offer be used for?	The gross proceeds raised from the Entitlement Offer will be used to fund the Baralaba Expansion and pay the costs of the Entitlement Offer.	Section 1 of the 'Purpose and Effect of the Entitlement Offer section of this Prospectus
Am I an Eligible Retail Shareholder?	<p>Eligible Retail Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> are registered as a holder of Shares as at 7.00pm (Sydney time) on the Record Date; have an address on the Company's share register in Australia or New Zealand (and where they have a registered address in New Zealand, continue to be a registered holder of Shares as at 9.00am (Sydney time) on 13 February 2015 (the time that the Retail Entitlement Offer opens)); are not in the United States and are not a U.S. Person (as defined in the U.S. Securities Act) and are not acting for the account or benefit of U.S. Persons, to that extent; did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer; and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification. 	Section 5 of the 'Additional information section' of this Prospectus
What is my Entitlement?	Your Entitlement is the right granted to you under the Entitlement Offer to subscribe for 13.7 New Shares at the Offer Price for every 1 Share you hold as at the Record Date. Your Entitlement will be noted on your personalised Entitlement and Acceptance Form.	Sections 4 and 5 of the 'Details of the Retail Entitlement Offer and how to apply section' of this

Topic	Summary	For more information
		Prospectus
What can I do with my Entitlement?	<p>As an Eligible Retail Shareholder, you may do any one of the following:</p> <ul style="list-style-type: none"> • take up all or part of your Entitlement (i.e. acquire up to 13.7 New Shares at the Offer Price for every Share you hold as at the Record Date); or • do nothing, in which case you will be deemed to have renounced your Entitlement (and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild on your behalf). <p>You should note that if you renounce all or part of your Entitlement, your percentage holding in Cockatoo Coal will be diluted by your non-participation in the Retail Entitlement Offer.</p> <p>Regardless of whether you participate in the Entitlement Offer, if Cockatoo Coal is required to issue additional New Shares under the Top-Up Subscription Agreement, your holding in the Company will be diluted in proportion to the size of that issuance.</p>	As above
Can I apply for New Shares in excess of my Entitlement?	<p>Yes. Under the Retail Entitlement Offer, Eligible Retail Shareholders may apply for Additional New Shares in excess of their Entitlement. Additional New Shares have precisely the same terms as New Shares. Additional New Shares will only be allocated to you if there is a sufficient shortfall from Eligible Retail Shareholders who do not take up their Entitlement in full or from New Shares that would have been offered to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer. The allocation of Additional New Shares and any scale back will be subject to the availability of Additional New Shares and in the Company's absolute discretion.</p>	As above
How much will I pay per New Share or Additional New Share?	<p>\$0.002 per New Share (or Additional New Share, as applicable) (i.e. the Offer Price).</p>	Section 2 of the 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus

Topic	Summary	For more information
Can I trade my Entitlement?	No. However, as the Entitlement Offer is renounceable, the Entitlements of Eligible Retail Shareholders who do not take up some or all of their Entitlements will be transferred and offered for subscription to certain institutional investors on behalf of Renouncing Shareholders and Ineligible Retail Shareholders through the Retail Bookbuild to be undertaken by the Underwriter. Any Retail Premium will be remitted to Renouncing Shareholders and Ineligible Retail Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their Entitlement.	Section 5.2 of the 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus
How do I accept the Entitlement Offer?	If you are within (i) Australia or (ii) New Zealand and you have an account with an Australian financial institution that supports BPAY payments, pay your Application Monies via BPAY. Alternatively, complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.	Section 5.1 of the 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus
Can I withdraw my Application?	To the extent permitted by law, Applications are irrevocable.	Section 13 of the 'Additional information' section of this Prospectus
Is the Entitlement Offer underwritten?	Yes. The Entitlement Offer is fully underwritten by BBY Limited. The Underwriter has also entered into sub-underwriting arrangements with existing substantial Shareholders of the Company Noble Group and Harum and with a new U.S.-based institutional investor Liberty Metals & Mining in relation to a significant proportion of the Entitlement Offer.	Section 1 of the 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus
What are the key terms of the New Shares (and Additional New Shares, if applicable)?	The New Shares (and therefore, the Additional New Shares) are fully paid ordinary shares in the equity capital of the Company. New Shares (and if applicable to you, Additional New Shares) will rank equally in all respects with existing ordinary Shares on issue from their issue date.	Section 2 of the 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus

Topic	Summary	For more information
What is the effect of the Entitlement Offer on the Company?	The effect of the Entitlement Offer on the control and financial position of the Company is detailed in the 'Purpose and effect of the Entitlement Offer' section of the Prospectus.	See the 'Purpose and effect of the Entitlement Offer' section of the Prospectus
What is the Top-Up Subscription Agreement?	As noted in the Investor Presentation and in this Prospectus, the Underwriter has entered into sub-underwriting positions in relation to the Entitlement Offer with a number of existing and new institutional investors in the Company. One of these sub-underwriters is Liberty Metals & Mining, a U.S.-based institutional investor that has committed to partially sub-underwrite the Entitlement Offer with the objective of securing at least 19.9% of the Company's post-Entitlement Offer issued equity capital. In order to ensure that Liberty Metals & Mining is allocated with a sufficient number of New Shares (in the context of its investment mandate), the Company and Liberty Metals & Mining have entered into the Top-Up Subscription Agreement whereby the Company has agreed to place additional New Shares (at \$0.002 per New Share) to Liberty Metals & Mining should Liberty Metals & Mining be issued with fewer New Shares than is required to achieve Liberty Metals & Mining's desired holding in the Company. Any such placement would be capped at 15% of the number of Shares on issue after the issue of the New Shares under the Entitlement Offer. Furthermore, and in consideration for Liberty Metals & Mining's entry into Top-Up Subscription Agreement, the Company has agreed to pay Liberty Metals & Mining \$2.5 million.	Section 29 of the 'Additional information section' of this Prospectus and section 4 of the 'Purpose and effect of the Entitlement Offer section of the Prospectus

Summary of risks

What are the key risks associated with New Shares (or, if applicable, Additional New Shares) and the Company?	<p>An investment in the New Shares, Additional New Shares or the Company is subject to significant risk. Some of the 'key risks' detailed in Appendix C of the Investor Presentation (which is reproduced in full in this Prospectus) are summarised below:</p> <ul style="list-style-type: none"> the majority of Cockatoo Coal's projects are still at an exploration, evaluation and/or development stage. Coal exploration and mine development generally involves a high degree of risk and is subject to a range of hazards and uncertainties that may impact on ultimate project viability; 	Appendix C of the Investor Presentation
---	---	---

Topic	Summary	For more information
	<ul style="list-style-type: none"> • Cockatoo Coal will require additional funds in excess of those raised under the Entitlement Offer to fully finance the Baralaba Expansion project to 3.5Mtpa. These additional funds are expected to be provided from revenue generated from the sale of coal from the Baralaba mine. However, an inability to generate sufficient revenue or raise additional capital (whether debt or equity), if needed, may delay (temporarily or indefinitely) the project, restrict the drawdown of its existing or future financing facilities and potentially adversely affect Cockatoo Coal's ability to continue as going concern; • Cockatoo Coal is committed to take-or-pay obligations for both port and rail associated with the Baralaba Expansion. An inability to deliver the Baralaba Expansion project on time or at the planned production rate may have material adverse effects on Cockatoo Coal; • Cockatoo Coal does not own 100% of all projects in which it is involved. Through Cockatoo Coal's participation in joint ventures and its use of contractors and other third parties for exploration, mining and other services, it is reliant on a number of third parties for the success of its current operations and for the development of its exploration projects; • Cockatoo Coal will require certain licences and approvals to develop Baralaba. Not all such approvals and licences are currently in place. Failure to obtain, or delays in obtaining, such approvals and licences may adversely affect Cockatoo Coal's activities; • Cockatoo Coal's revenues are largely dependent on the price it receives for coal. Fluctuations in the coal price could have an adverse impact on Cockatoo Coal's financial performance and future prospects. The prices Cockatoo Coal may receive for its coal in the future depend on numerous factors beyond its control including, but not limited to, the demand for coal, competition, transport facilities and government regulations; • Changes in government policy may have an adverse impact on Cockatoo Coal's operational performance as well as actual or potential profitability. Changes which may have an adverse 	

Topic	Summary	For more information
	<p>impact on Cockatoo Coal include changes in taxation laws or changes in the royalty regime applicable for coal companies in Australian states in which Cockatoo Coal operates;</p> <ul style="list-style-type: none"> Cockatoo Coal is still in discussions with the Queensland Government about the quantum of the environmental guarantees required for the Baralaba Expansion. There can be no assurance that the Company's expected environmental guarantee estimate will be correct and that the Company will have sufficient financial resources to cover the obligations; and the concentration of Cockatoo Coal ownership by major Shareholders on completion of the Entitlement will likely limit other minor Shareholders' ability to influence corporate matters. <p>The above risk factors ought not be taken as an exhaustive list of the risks faced by the Company or by investors in the Company's securities (including the New Shares or Additional New Shares). The above factors, and others not specifically referred to in Appendix C of the Investor Presentation, may in the future materially affect the financial condition or prospects of the Company and therefore the value of the New Shares offered under this Prospectus. Therefore, the New Shares (and Additional New Shares, if any) to be issued under this Prospectus, carry no guarantee with respect to their value or price.</p>	
Miscellaneous		
What are the significant interests and benefits payable to Directors and other persons connected with the Company and the Entitlement Offer?	These details are set out in section 11 of the 'Additional information' section.	Section 11 of the 'Additional information' section

Details of the Retail Entitlement Offer and how to apply

1. Company and transaction overview

Cockatoo Coal Limited is an ASX-listed coal exploration, development and production company. The Company's primary asset is the Baralaba mine complex in the Bowen Basin in Queensland, Australia. The Baralaba mine is a producer of high quality, predominantly ultra-low volatile PCI coal which is exported from Australia for use in the steel making process.

The re-optimised Baralaba Expansion project, which is central to the Company's operating strategy, will initially focus on the development of the Baralaba North mine (which is currently operating at an annualised production rate of approximately 1Mtpa) with the ultimate objective of achieving project wide production of 3.5Mtpa in the second half of calendar 2018. As previously disclosed to ASX, the Company has also recently submitted its voluntary EIS and associated MLA in relation to the Baralaba Expansion project in accordance with new Queensland government mining legislation. The Company remains confident that these approvals will be granted in due course.

As detailed in the Investor Presentation (which has been reproduced herein) and in response to the challenging market conditions within the Australian coal sector, the Company initiated and has now completed a 'whole of business' review which has resulted in, among other things, a significantly re-optimised mine plan for the Baralaba Expansion project. The primary features of the re-optimised mine plan include:

- a new, scaled back and re-optimised mine plan which reduces overburden removed in advance and focuses the next three years of production on more efficient mining areas;
- a deferred capital expenditure schedule which, when combined with the sale of non-core assets, has materially reduced Baralaba's expected funding requirements to \$125 million;
- the deferred capital expenditure schedule (Cockatoo will now spread capital expenditure across the next 5 years) noted above and the significantly reduced capital expenditure requirements for Baralaba will allow the Company to utilise project revenue (based on current forecast coal prices and foreign exchange rates) to internally fund future expected funding requirements (thereby reducing the Company's reliance on external financing);
- a re-optimised pit design (which seeks to achieve maximum PCI recovery rates for the early part of the expansion project)
- more efficient utilisation of mining fleet (and CHPP facilities) and reduced labour force expected to reduce annual operating expenses; and
- more gradual production ramp up, with the previously disclosed production target of 3.5Mtpa now expected to be achieved in the second half of 2018 (rather than in mid-2017).

The Company is confident that the re-optimised mine plan will enable the Company to better match its capital (and operating) expenditure requirements for the Baralaba mine with expected mine revenues thereby reducing the Company's dependence on external financing.

The purpose of the Entitlement Offer, along with the ancillary transactions noted below and summarised in the Investor Presentation (as well as in a number of the Company's recent ASX announcements), is to fund the Baralaba Expansion project and to pay the costs of the Entitlement Offer.

The Company expects that the Entitlement Offer, whereby the Company will raise approximately \$125 million and which is fully underwritten by the Underwriter⁹, will, when combined with the sale of the Company's 51% North Surat joint venture for \$25 million completed in December 2014 and the ancillary transactions noted herein, provide the Company with a fully financed solution for the Baralaba Expansion project¹⁰.

While the Company's core focus is and will remain the mining and development of the Baralaba mine complex (and, in particular, the Baralaba Expansion project which is now underway), the Company will also focus on expanding its coal reserves and resources through cost effective exploration and evaluation studies.

Further detail in relation to the Entitlement Offer, the ancillary transactions noted herein, the Company's other assets and the industry in which the Company operates, can be found in the Investor Presentation which is reproduced in this Prospectus.

2. The Retail Entitlement Offer

Eligible Retail Shareholders (as defined in section 5 of the 'Additional information' section of this Prospectus) are being offered the opportunity to subscribe for 13.7 New Shares for every 1 existing Share held at 7.00pm (Sydney time) on 10 February 2015, at the Offer Price of \$0.002 per New Share.

You should note that not all Shareholders will be eligible to participate in the offer of New Shares. Please read the 'Additional information' section in this Prospectus for further details.

Eligible Retail Shareholders may also apply for Additional New Shares in excess of their Entitlement. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Retail Shareholders who do not take up (ie they 'renounce') their full Entitlement. Additional New Shares will only be allocated to Eligible Retail Shareholders if available and if and to the extent that the Company so determines, in its absolute discretion. The Company may apply any scale-back to applications for Additional New Shares in its absolute discretion.

For further information in respect of applying for Additional New Shares, see section 5 below.

As the Entitlement Offer is renounceable, the Entitlements of Eligible Retail Shareholders who do not take up some or all of their Entitlements will be transferred and offered for subscription to certain institutional investors on behalf of Renouncing Shareholders and Ineligible Retail Shareholders through the Retail Bookbuild to be undertaken by the Underwriter. Any Retail Premium will be remitted to Renouncing Shareholders and Ineligible Retail Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their renunciation. Further information in respect of renounced Entitlements is set out in section 5.2 below. Entitlements will not be able to be traded on ASX or another financial market, or privately transferred.

New Shares (and Additional New Shares, if any) issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

⁹ The Underwriter has also entered into sub-underwriting arrangements with existing substantial Shareholders Noble Group and Harum and with Liberty Metals & Mining in relation to a significant proportion of the Entitlement Offer. See section 29 of the 'Additional information' section of this Prospectus for further detail.

¹⁰ The concept of a 'fully financed' Baralaba Expansion project is subject to the completion of the other transactions summarised in the Investor Presentation (which is reproduced in this Prospectus). The fully financed solution for the period 1 January 2015 to 31 December 2016 assumes a coal price based on equity research consensus, foreign exchange forecasts based on the forward curve and cost and capital assumptions as per the Company's current business plan. Cockatoo Coal expects that revenue generated from operations will be required to contribute to the Baralaba Expansion project's required capital expenditures.

3. Please consider the Retail Entitlement Offer in the light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the 'key risks' section of the Investor Presentation reproduced in this Prospectus.

An investment in New Shares and Additional New Shares (if applicable) is subject to investment and other known and unknown risks, some of which are beyond the control of Cockatoo Coal, including possible loss of income and principal invested. Cockatoo Coal does not guarantee any particular rate of return or the performance of Cockatoo Coal, nor does it guarantee the repayment of capital from Cockatoo Coal or any particular tax treatment.

4. Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 13.7 New Shares for every Share you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Shares, including in respect of entitlement to dividends.

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares, if applicable to you) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by any cleared funds, you will be deemed to have renounced your Entitlement and you will not be issued with New Shares. You should note that if you renounce all or part of your Entitlement, then your percentage shareholding in Cockatoo Coal will be diluted as a result of your non-participation in the Retail Entitlement Offer¹¹.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see the definition of Eligible Retail Shareholder in section 5 of the 'Additional information' section of this Prospectus) or you sold Shares on ASX before 12 November 2014 but your broker did not settle that sale until after 10 February 2015.

Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. Cockatoo Coal is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (eg for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United

¹¹ Regardless of whether you participate in the Entitlement Offer, if Cockatoo Coal is required to issue additional New Shares under the Top-Up Subscription Agreement, your holding in the Company will be diluted in proportion to the size of that issuance.

States or to any person it knows to be in the United States. Cockatoo Coal assumes no obligation to advise you on any foreign laws.

5. Options available to you

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (and renounce the balance) (see section 5.1 below);
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement (see section 5.1 below);
- do nothing, in which case you will be deemed to have renounced your Entitlement (and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild on your behalf) (see section 5.1 below).

As the Entitlement Offer is renounceable, the Entitlements of Eligible Retail Shareholders who do not take up some or all of their Entitlements will be offered for subscription to certain institutional investors on behalf of Renouncing Shareholders and Ineligible Retail Shareholders through the Retail Bookbuild to be undertaken by the Underwriter. Any Retail Premium will be remitted to Renouncing Shareholders and Ineligible Retail Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their renunciation. Entitlements will not be able to be traded on ASX or another financial market, or privately transferred.

5.1 If you decide to take up all or part of your Entitlement or take up all of your Entitlement and apply for Additional New Shares

If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please:

- pay your Application Monies via BPAY; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

Cockatoo Coal will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement. Amounts received by Cockatoo Coal in excess of your full Entitlement (**Excess Amount**), will be treated as an application for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-back that Cockatoo Coal may determine to implement in its absolute discretion in respect of Additional New Shares.

If you take up and pay for all or part of your Entitlement, before the close of the Retail Entitlement Offer, you will be issued your New Shares on 11 March 2015. If you apply for Additional New Shares in excess of your Entitlement, subject to Additional New Shares being available and Cockatoo Coal's discretion to scale-back your allocation of Additional New Shares, you will also be issued with these Additional New Shares on 11 March 2015. Cockatoo Coal's decision on the number of Additional New Shares to be allocated to you will be final.

Other than to the extent that Additional New Shares are issued to you, any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Retail Entitlement Offer on or around 13 March 2015 (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by Cockatoo Coal). Refunds will be made by sending a cheque in the post to the address Cockatoo Coal records on its share register for you on or about 13 March 2015. No interest will be paid to Eligible Retail Shareholders on any Application Monies received or refunded (wholly or partially).

Cockatoo Coal also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on 26 February 2015. Eligible Retail Shareholders who wish to pay via cheque, bank draft or money order will need to also ensure that their completed personalised Entitlement and Acceptance Form is also received by that time using the reply paid envelope provided with this Prospectus or otherwise.

5.2 Value of renounced Entitlements

If you choose not to take up all or part of your Entitlement, you still have the potential opportunity to receive payment for your Entitlement or part of your Entitlement not taken up (i.e. renounced by you).

Those retail Shareholders who do not satisfy the Eligible Retail Shareholder criteria may also have the opportunity to receive payment for the entitlement they would otherwise have received had they been eligible to participate in the Retail Entitlement Offer.

Cockatoo Coal will arrange for the Entitlements of Renouncing Shareholders (or, in the case of Ineligible Retail Shareholders, the entitlements which would otherwise have been available to them) offered for subscription to certain institutional investors through the Retail Bookbuild and any Retail Premium will be remitted to those Renouncing Shareholders in proportion to the number of New Shares represented by their renounced Entitlements (or, in the case of Ineligible Retail Shareholders, in proportion to the number of entitlements that they would have been entitled to had they been eligible to participate in the Retail Entitlement Offer) (net of expenses and any withholdings required by law).

No assurance or guarantee can be given as to the price that will be achieved under the Retail Bookbuild from the sale of Entitlements. If the price achieved under the Retail Bookbuild does not exceed the Offer Price, no distribution will be made to Renouncing Shareholders or Ineligible Retail Shareholders. To avoid doubt, any premium remitted to renouncing shareholders under the Institutional Entitlement Offer is not an indication that the price achieved in the Retail Bookbuild will result in a premium being remitted to Renouncing Shareholders.

The ability to sell Entitlements in respect of New Shares under the Retail Bookbuild will be dependent on various factors including market conditions. Similarly, the Retail Bookbuild price may not be the highest price offered but will be determined by the Underwriter in consultation with Cockatoo Coal (each acting reasonably having regard to the outcome of the Retail Bookbuild), provided that (i) the Retail Bookbuild price will not be set higher than the Offer Price unless the Underwriter has received binding and bona fide offers from institutional investors that, in the reasonable opinion of the Underwriter, will (if accepted) result in allocations to dispose of all New Shares offered for sale through the Retail Bookbuild at a price higher than the Offer Price and (ii) the Retail Bookbuild price may not be higher than the price that would 'clear' the book.

To the maximum extent permitted by law, Cockatoo Coal, the Underwriter, and their respective related bodies corporate, agents or affiliates, or the directors, officers, employees or advisers of any of them, disclaim all liability, including for negligence, for any failure to procure applications for New Shares under the Retail Bookbuild at a price in excess of the Offer Price and for any difference between the price achieved through the Institutional Bookbuild and the Retail Bookbuild. The Retail Premium (if any) (net of expenses and any withholdings required by law) will be paid to Renouncing Shareholders and Ineligible Retail Shareholders in Australian dollars. If applicable, you will be paid by cheque sent by ordinary post to your address as recorded by the Share Registry.

Any proceeds you may receive as a result of the Retail Bookbuild may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

Eligible Retail Shareholders should note that if you choose to renounce all or part of your Entitlement, then your percentage interest in Cockatoo Coal will be diluted by your non-participation in the Retail Entitlement Offer¹².

6. Payment methods

6.1 Payment by BPAY

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY, you will be deemed to have taken up your Entitlement and applied for New Shares over and above your Entitlement on that holding to which that CRN applies and your applications in respect of your other CRNs will be deemed to have been renounced.

Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (Sydney time) on 26 February 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Cockatoo Coal takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Retail Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

6.2 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'Cockatoo Coal Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.002 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- in Australian dollars drawn on an Australian financial institution or an Australian branch of a financial institution.

¹² Regardless of whether you participate in the Entitlement Offer, if Cockatoo Coal is required to issue additional New Shares under the Top-Up Subscription Agreement, your holding in the Company will be diluted in proportion to the size of that issuance.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares (and Additional New Shares, if applicable) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and Additional New Shares, if applicable) as your cleared Application Monies will pay for and to have specified that number of shares on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00pm (Sydney time) on 26 February 2015. Cash payments will not be accepted. Receipts for payment will not be issued.

7. Confirmation of your application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares or Additional New Shares from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Investor Centre website (www.computershare.com.au). To access the Investor Centre you will need your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

8. ASX quotation and trading

The Company will apply for quotation of the New Shares (and Additional New Shares, if any) on ASX within seven days of the date of this Prospectus. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If quotation is not granted, New Shares and Additional New Shares (if any) under the Retail Entitlement Offer will not be issued and Application Monies will be refunded to applicants without interest.

The fact that ASX may grant quotation of the New Shares (and Additional New Shares, if applicable) is not to be taken in any way as an indication of the merits of the Company, the New Shares or the Additional New Shares (if any) issued under the Retail Entitlement Offer.

It is expected that the quotation and trading of New Shares (and Additional New Shares, if applicable) issued under the Retail Entitlement Offer will commence on or about 12 March 2015 (on a normal settlement basis).

Confirmation of issue is expected to be sent in accordance with the ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares (and Additional New Shares, if applicable to you). Any Applicant who sells New Shares (and, if applicable, Additional New Shares) before receiving their confirmation of issue will do so at their own risk. The Company, the Share Registry and the Underwriter disclaim all liability in tort (including negligence), statute or otherwise, to any person who trades in New Shares (and, if applicable, Additional New Shares) before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company, the Share Registry or the Underwriter, or otherwise.

9. CHESS

The New Shares (and Additional New Shares, if any) will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored subregister to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

10. Treatment of foreign shareholders

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to investors who are holders of Shares and who are in the United States or have registered addresses outside Australia or New Zealand, having regard to the number of such holders in those places and the number and value of New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities law restrictions on the offer of New Shares in certain jurisdictions. However, to satisfy applicable ASX Listing Rule requirements, Cockatoo Coal expects to appoint a nominee and will issue that nominee with the entitlements to subscribe for New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange for the sale of those entitlements to certain institutional investors to be conducted on or around 2 March 2015, and will work with Cockatoo Coal to distribute any Retail Premium (net of expenses and withholdings required by law) proportionately to Ineligible Retail Shareholders.

11. Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on 26 February 2015. If you make payment via cheque, bank draft or money order, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Cockatoo Coal Limited
C/- Computershare Investor Services Limited
GPO Box 505
Melbourne VIC 3001

A reply paid envelope is supplied.

Entitlement and Acceptance Forms and Application Monies will not be accepted at Cockatoo Coal's registered or corporate offices, or other offices of the Share Registry.

Purpose and effect of the Entitlement Offer

1. Use of proceeds

The Company is seeking to raise approximately \$125 million under the Entitlement Offer (with approximately \$83.5 million of that amount being raised under the Institutional Entitlement Offer with the balance (of a further approximately \$41.5 million) being raised under the Retail Entitlement Offer) before fees and costs of the Entitlement Offer.

The gross proceeds of the Entitlement Offer, expected to be approximately \$125 million, will be used to fund¹³ the Baralaba Expansion project and to pay the costs of the Entitlement Offer.

Further detail in relation to the sources and uses that the Company will employ to fund the Baralaba Expansion is set out on page 31 of the Investor Presentation (which is reproduced herein).

2. Historical and pro forma financial position

Set out on page 32 of the Investor Presentation (which is reproduced herein) is a summary of the Company's consolidated statement of financial position as at 30 June 2014 together with a pro forma statement of financial position as at 30 June 2014 (unaudited) giving effect to the Entitlement Offer and a number of the ancillary transactions referred to in the Investor Presentation (**Pro Forma Balance Sheet** and, together the **Financial Information**).

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (**Annual Report**) prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in the Annual Report.

The Financial Information as at 30 June 2014 has been derived from the Company's Annual Report for the year ending 30 June 2014 released to ASX on 27 October 2014.

The Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current financial position.

¹³ Following the completion of the Entitlement Offer (to raise \$125 million) and the completion of the ancillary transactions summarised in the Investor Presentation (which includes the recently completed sale of the Company's 51% interest in its North Surat joint venture for \$25 million), it is expected that Company's Baralaba Expansion project will be funded to completion. Cockatoo Coal expects that revenue generated from operations mine will be required to contribute to the Baralaba Expansion project's required capital expenditures.

3. Capital structure

A table setting out the effect of the Entitlement Offer on the capital structure of the Company is set out below:

	As at the Record Date	On completion of the Institutional Entitlement Offer	On completion of the Retail Entitlement Offer
Ordinary shares†	4,560,196,928	46,329,715,805	67,034,894,841
Unquoted options††	55,000,000	55,000,000	55,000,000

† The precise number of Shares on issue on completion of the Entitlement Offer will depend on a number of factors including the reconciliation and rounding of entitlements. Furthermore, and as detailed in section 29 of the 'Additional information' section of this Prospectus, depending on the level of shortfall following under Entitlement Offer, the Company may be required to issue additional New Shares to Liberty Metals & Mining in accordance with the Top-Up Subscription Agreement. The maximum number of additional New Shares that the Company may be required to issue under the Top-Up Subscription Agreement (which number would only be required to be issued if Liberty Metals & Mining is issued fewer New Shares than is required to achieve its post-Entitlement Offer percentage holding in the Company of at least 19.9%) is 10,055,234,226. If this were to occur, the Company would have a total of 77,090,129,067 Shares on issue.

†† The options noted in this table are of various exercise prices and expiry dates. No new options will be issued in connection with the Entitlement Offer. While the number of options on issue following completion of the Entitlement Offer will remain the same, their exercise price will be adjusted in accordance with the formula in ASX Listing Rule 6.22.2.

4. Effect on control

Pursuant to sub-underwriting arrangements with the Underwriter, Noble Group will subscribe for at least the number of New Shares required to retain its current percentage holding in the Company (of 23.14%) and Harum will subscribe for 5% of the total number of New Shares being offered under the Entitlement Offer. This will likely result in Harum holding a 5.39% Shareholding in the Company (its current holding is 10.8%) on completion of the Entitlement Offer. In relation to Noble Group, its Shareholding in the Company after completion of the Entitlement Offer may exceed its current percentage Shareholding as described below.

Liberty Metals & Mining does not currently have a Shareholding in the Company. It is sub-underwriting part of any shortfall under the Entitlement Offer. It also has the benefit of the Top-Up Subscription Agreement. It is likely to have a Shareholding in the Company after completion of the Entitlement Offer and the ancillary transactions of at least 15% of the Share capital after completion of the Entitlement Offer (if there is no shortfall), and possibly (depending on the size of any shortfall under the Entitlement Offer) of more than 20%. If the shortfall is substantial, Liberty Metals & Mining's holding will be the same as Noble Group's, which, as noted above, could be more than 23.14% of the Share capital after completion of the Entitlement Offer.

The Company does not expect substantial holder SK Networks Co., Ltd to take up its Entitlement under the Entitlement Offer. It is therefore unlikely that any Shareholder other than Noble Group and Liberty Metals & Mining will have a Shareholding in the Company after completion of the Entitlement Offer and the ancillary transactions noted in the Investor Presentation of more than 20%.

Because of the way that any shortfall will be allocated under the sub-underwriting arrangements, neither Noble Group nor Liberty Metals & Mining will have control of the Company after completion of the Entitlement Offer.

Liberty Metals & Mining will acquire New Shares in the following way. Under the arrangements for the allocation between sub-underwriters of any shortfall under the Entitlement Offer, any shortfall will first

be allocated to Liberty Metals & Mining until its Shareholding is equal to that of Noble Group, at 23.14% of the share capital after completion of the Entitlement Offer.

If this allocation does not take up all of the shortfall, the shortfall will next be allocated to investors which bid for shortfall shares through the Institutional Bookbuild or the Retail Bookbuild and other sub-underwriters (ie excluding Noble Group and Liberty Metals & Mining). If after that allocation there are still remaining shortfall shares, the remaining shortfall shares will be allocated equally to Noble Group and Liberty Metals & Mining.

If any shortfall is not sufficiently large for Liberty Metals & Mining to acquire a Shareholding of up to 19.9% of the post-Entitlement Offer share capital, the Company will make a placement of New Shares under the Subscription Agreement to Liberty Metals & Mining, so that Liberty Metals & Mining's Shareholding is up to 19.9%, subject to that placement not exceeding the Company's ability to place shares under that agreement.

In the light of these commitments, the maximum size of any shortfall under the Entitlement Offer is 71.86% on the basis that no existing Shareholders subscribe for New Shares other than Noble Group and Harum (where Harum currently holds 10.8% of the Company's Shares and is expected to provide sub-underwriting support by committing to take up to 5% of the total rights offered). The shortfall would only be this large if no Shareholders other than Noble Group and Harum take up all or part of their entitlement to New Shares, if no-one bids into either the Institutional Bookbuild or the Retail Bookbuild, and if no-one applies for Additional New Shares.

Both Noble Group and, following its entry into the Top-Up Subscription Agreement, Liberty Metals & Mining have the right to appoint a Director while each of their individual equity holdings in the Company is above 9.99% (and each of them will have the right to appoint a second Director if their holding in the Company is above 19%)¹⁴.

Some scenarios¹⁵ illustrating the effect of these arrangements on the possible size of the shareholding of Noble Group and Liberty Metals & Mining after completion of the Entitlement Offer¹⁶ are:

Shareholder	5% shortfall	40% shortfall	71.86% shortfall ¹⁷
Noble Group	~20.1% (subscribing for New Shares to maintain its pro rata proportion), but being diluted by the 15% placement to Liberty Metals & Mining under the Top-up Subscription Agreement.	Up to ~30.2% being the sum of: (i) Noble Group's existing Shareholding; plus (ii) Shares issued to Noble Group subscribing for New Shares to maintain its pro rata proportion; plus (iii) 50% of <u>remaining shortfall</u> after part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%, and then to any sub-underwriters	Up to ~45.1% being the sum of: (i) Noble Group's existing Shareholding; plus (ii) Shares issued to Noble Group in subscribing for New Shares to maintain its pro rata proportion; plus (iii) 50% of <u>remaining shortfall</u> after part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%, and then to any sub-underwriters

¹⁴ Harum also has a right to appoint a Director if its Shareholding is above 4.99%.

¹⁵ Note that all shortfall amounts are calculated after Noble has subscribed for New Shares to maintain its pro rata proportion and Harum to give it a 5% Shareholding in the Company after completion of the Entitlement Offer.

¹⁶ The figures provided in this table are approximations and include rounding of Shareholdings and percentages.

¹⁷ As mentioned above, in the light of commitments to take up Entitlements, this is the maximum size of any shortfall under the Entitlement Offer.

		other than Noble Group and Liberty Metals & Mining ¹⁸	other than Noble Group and Liberty Metals & Mining
Liberty Metals & Mining	~17.1% (first 5% of shortfall, and 15% of the Share capital after completion of the Entitlement Offer under the Top-Up Subscription Agreement)	Up to ~30.2% being the sum of (i) part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%; plus (ii) 50% of <u>remaining shortfall</u> after part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%, and then to any sub-underwriters other than Noble Group and Liberty Metals & Mining	Up to ~45.1% being the sum of: (i) part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%; plus (ii) 50% of <u>remaining shortfall</u> after part of shortfall allocated to Liberty Metals & Mining to bring its Shareholding to 23.14%, and then to any sub-underwriters other than Noble Group and Liberty Metals & Mining

The Company understands that the Underwriter will, in consideration for Noble Group's and Harum's entry into the sub-underwriting arrangements noted above, pay sub-underwriting fees of not more than approximately \$3.04 million to Noble Group and \$312,500 to Harum¹⁹. No sub-underwriting fees are payable to Liberty Metals & Mining²⁰.

¹⁸ This scenario assumes that there are no sub-underwriters other than Noble Group Limited, Liberty Metals & Mining and Harum.

¹⁹ See section 21 of the 'Additional information' section of the Prospectus for further detail.

²⁰ \$2.5 million is however payable by Cockatoo Coal to Liberty Metals & Mining in consideration for Liberty Metals & Mining's entry into the Top-Up Subscription Agreement. See section 29 of the 'Additional information' section of this Prospectus for further detail in relation to the Top-Up Subscription Agreement and this payment.

Investor Presentation



Cockatoo Coal Limited

Transitioning through a challenging coal environment

**A\$125 million Equity Raising
5 February 2015**

Important Notes & Disclaimer



Not for distribution or release in the United States

This presentation is issued by Cockatoo Coal Limited ABN 13 112 682 158 ("Company" or "Cockatoo" or "COK").

Summary information

This presentation contains summary information about Cockatoo and its subsidiaries ("Cockatoo Group") and their activities current as at 5 February 2015. The information in this presentation is a general background and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It has been prepared by Cockatoo with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Cockatoo is not responsible for updating, nor undertakes to update, this presentation. It should be read in conjunction with Cockatoo Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au.

Not financial product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure document under Australian law or the law of any other jurisdiction. This presentation is not a financial product or investment advice, a recommendation to acquire ordinary shares in Cockatoo ("Shares") or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Cockatoo is not licensed to provide financial product advice in respect of an investment in Shares. Cooling off rights do not apply to the acquisition of Shares.

Financial data

All dollar values are in Australian dollars ("\$" or "A\$") unless stated otherwise. Investors should be aware that certain financial data included in this presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission. Cockatoo believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Cockatoo. Non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, the non-IFRS financial information in this presentation may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this presentation.

This presentation contains pro-forma financial information, which reflects certain adjustments to Cockatoo's historical financial information that it considers appropriate to reflect the transactions described herein. The pro-forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Past performance

Past performance and pro-forma financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Cockatoo's views on its future financial performance or condition. Investors should note that past performance of Cockatoo, including the historical trading price of the Shares, cannot be relied upon as an indicator of (and provides no guidance as to) future Cockatoo performance, including the future trading price of Shares. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

Future performance

This presentation contains certain 'forward-looking statements'. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. The forward-looking statements in this presentation include statements regarding the outcome of the Equity Raising (and the use of the proceeds thereof), Cockatoo's development plan and the timing of future milestones, and Cockatoo's strategies. Any forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Cockatoo and its directors, including the risks and uncertainties described in the 'Key Risk Factors' section of this presentation. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends, distributions and other estimates.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of Cockatoo's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Cockatoo's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, and except as required by law or regulation, Cockatoo assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, Cockatoo (including its subsidiaries), the bookrunner and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this presentation, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Important Notes & Disclaimer (continued)



Future performance (continued)

As a company with securities listed on the ASX, Cockatoo is required to report its coal reserves and coal resources in compliance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves published by the Joint Ore Reserves Committee (the "JORC Code"). While Cockatoo's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with the U.S. Securities and Exchange Commission's Industry Guide 7, which, among other things, may require the use of different assumptions for the estimation of reserves, and does not recognize the concept of coal resources. Investors should note that Cockatoo's coal reserves may be lower if they were calculated under Industry Guide 7 and that its mineral resources are not proved or probable reserves, and there can be no assurance that such mineral resources will ultimately be converted into reserves or that Cockatoo will be able to legally or economically extract them. In addition, a portion of Cockatoo's coal resources is in the "inferred" category, which cannot be converted into reserves unless upgraded to the "measured" or "indicated" categories.

Investment risk

An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Cockatoo. Cockatoo does not guarantee any particular rate of return or the performance of Cockatoo, nor does it guarantee the repayment of capital from Cockatoo or any particular tax treatment. Readers should have regard to the risks outlined in the 'Key Risk Factors' section of this presentation.

Not an offer

This presentation is not an offer or an invitation to acquire Shares or any other financial products in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law. The information in this booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. This presentation may not be distributed or released in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any Shares in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933, and may not be offered or sold in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable US state securities laws.

The distribution of this presentation (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this presentation, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Refer to Appendix D - Foreign Selling Restrictions' of this presentation for more information. By accepting this presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

Advisers

Neither the bookrunner and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers or Cockatoo's advisers ("**Parties**") have authorised, permitted or caused the issue, lodgment, submission, dispatch or provision of this presentation, make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. The Parties, as well as their respective affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this presentation. No Party guarantees the repayment of capital or any particular rate of income or capital return on an investment in Cockatoo. Readers agree, to the maximum extent permitted by law, that they will not seek to sue or hold the Parties liable in any respect in connection with this presentation.

Disclosure

The bookrunner, together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The bookrunner in conjunction with its affiliates, is acting as sole lead manager and bookrunner to the Equity Raising to other institutional investors for which it has received or expects to receive fees and expenses. The bookrunner and/or its affiliates have performed, and may perform, other financial or advisory services for Cockatoo, and/or may have other interests in or relationships with Cockatoo, and its related entities for which they have received or may receive customary fees and expenses.

In the ordinary course of its various business activities, the bookrunner and its affiliates may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Cockatoo, its related entities and/or persons and entities with relationships with Cockatoo and/or its related entities. The bookrunner and/or its affiliates, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned herein. The bookrunner and/or its affiliates currently hold, and may continue to hold, equity, debt and/or related derivative securities of Cockatoo and/or its related entities.

None of the bookrunner nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the placement, nor do they make any representations or warranties to you (or other statements upon which you may rely) concerning the placement or any such information. The engagement of the bookrunner by Cockatoo is not intended to and does not create any agency, custodial, fiduciary or other legal relationship between the bookrunner and any shareholder or other investor.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the terms set out above and on the previous page.

Table of Contents



Topic	Page
Executive Summary	5
Overview	6
Equity Raising Details	10
Market Overview	15
Cockatoo's Assets	19
Cockatoo's Strategy	25
Sources & Uses Of Funds / Pro-forma Balance Sheet	31
Appendix	
A. Key Terms Of Underwriting Agreement	34
B. Ancillary Transactions	36
C. Key Risks	38
D. Foreign Selling Restrictions	42
E. JORC Resources & Reserves	45

Executive Summary



- **\$125 million equity raising via accelerated renounceable pro-rata entitlement offer of new fully paid ordinary shares**
- **Fully underwritten and supported by cornerstone investors Noble Group Limited, Liberty Metals & Mining Holdings, LLC (a subsidiary of Boston-based Liberty Mutual Insurance) and PT Harum Energy Tbk**
- **Re-optimised mining plan developed for Baralaba Mine expansion, responding to current market conditions, significantly reducing funding requirements to ~\$125 million via slower production ramp up profile utilisation of mine cash flows**
- **Provides a fully funded 5 year business plan for Cockatoo to achieve its long term ambitions**
- **New funding secured in challenging coal market, offering greater certainty for Cockatoo as a business**
- **Market conditions have lead to the previously announced ANZ Project Financing Facility becoming untenable and made it necessary for Cockatoo to cancel the facility; multiple alternatives considered**
- **New off-take agreement with Noble for additional 28.5Mt over next 20 years**



Overview

Overview

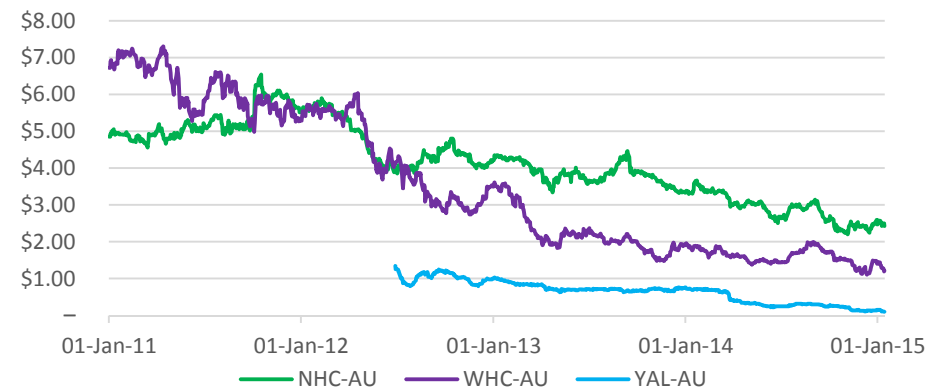


Challenging market conditions within the Australian coal sector

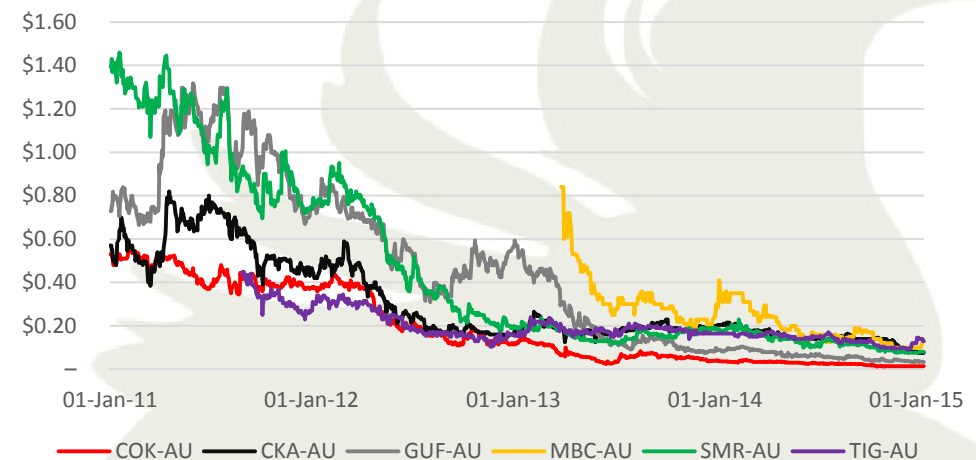
- Coal prices⁽¹⁾ declined approximately 64% since 2011
- Mid-tier coal sector declined up to 82% since 2011⁽²⁾
- Junior coal sector declined up to 95% since 2011⁽²⁾
- Several coal focused companies have entered administration
 - Bandanna Energy Limited
 - ZYL Limited
 - OGL Resources Limited
 - Beacon Hill Resources Plc

(1) Coal prices in USD; see slide 17
(2) Market data as at 15 Jan 2015

Mid-tier ASX Coal Stocks⁽²⁾



Junior ASX Coal Stocks⁽²⁾



Overview (continued)



Market conditions have lead to the previously announced ANZ Project Financing Facility becoming untenable and made it necessary for Cockatoo to cancel the facility

- Covenant ratios linked to currently forecast coal prices have materially impacted likely facility debt sizing and availability
- Forecast coal prices unlikely to recover sufficiently to allow Cockatoo to meaningfully access the facility within desired timeframes
- The facility required Cockatoo to adhere to approval, construction & ramp up milestones for Baralaba, which did not allow Cockatoo flexibility regarding the mine plan and capital expenditure timetable
- Cancellation of facility has resulted in Cockatoo saving \$5.625 million in fees

Multiple alternatives have been investigated, including amendments to senior debt funding, mezzanine financing, asset sales, and various equity raising structures to avoid cessation of the Baralaba expansion and any resulting consequences (including voluntary administration) – but all offer uncertain outcomes

Cockatoo's Response



- A 'whole of business' review generated an option for a significantly revised Cockatoo business plan
- New, scaled back and re-optimised mine plan reduces overburden removed in advance and focuses the next 3 years of production on more efficient mining areas
- Significant deferral of capital expenditure spread across 5 years, combined with realisation of revenue from non-core asset sales, has materially reduced Cockatoo's funding requirements for Baralaba to ~\$125m
- Forecast mine cashflows to cover deferred expansion costs
- Some take or pay penalties will be incurred, and have been accounted for as part of the revised business plan
- Revised business plan has created a reduction in required employees by approximately 25%, allowing further cost savings

The re-optimised plan enables Cockatoo to better match its capital expenditure with forecast mine revenues, allowing a more appropriate platform to achieve its long-term ambitions



Equity Raising Details

Equity Raising Rationale



Provides Cockatoo with a fully financed⁽¹⁾ business plan for the Baralaba expansion

- Cockatoo has announced a A\$125 million equity raising via a fully underwritten accelerated renounceable pro-rata entitlement offer of new fully paid ordinary shares (Equity Raising)
- Proceeds from the Equity Raising will be used to fund the Baralaba expansion, with revenues from operations expected to cover remaining requirements

Equity driven capital structure is more appropriate and achievable in the current market

- Removal of project or mezzanine financing decreases financing costs
- Removal of financing undertakings allows mine plan flexibility to respond to PCI pricing
- New structure allows Baralaba's forecast cashflows to fund future required capital expenditure⁽²⁾
- Longer term outlook for PCI prices⁽²⁾ is positive
- Independent review of forecast capex completed by Behre Dolbear Australia on 4 February 2015 confirming Cockatoo's forecast estimates

(1) Concept of fully financed business plan is subject to completion of the transactions described within this presentation. Fully financed business plan for period 1 July 2014 – 31 December 2016 assumes coal price based on equity research consensus, FX forecasts based on the forward curve and cost and capital assumptions as per current business plan. Refer to risk factors.

(2) Source: See slide 17

Equity Raising Overview



Equity Raising Size & Structure	<ul style="list-style-type: none"> Cockatoo has announced a A\$125 million equity raising, via an accelerated renounceable pro-rata entitlement offer of new fully paid ordinary shares The issue price is A\$0.002 per share The entitlement ratio is 13.7 new shares for each share held The Entitlement Offer is fully underwritten by BBY Limited, supported through sub-underwriting by major shareholders Noble Group Limited (Noble) and PT Harum Energy Tbk (Harum) and a new investor Liberty Metals & Mining Holdings, LLC (Liberty Metals & Mining)
Board Composition	<ul style="list-style-type: none"> Independent Chairman A Director independent of the major shareholders Noble and Liberty Metals & Mining each have the right to appoint a Director to the extent an individual equity holding is above 9.99% and an additional Director to the extent an individual equity holding is above 19% Harum has the right to appoint a Director, to the extent that its individual equity holding is above 4.99% SK Networks has the right to appoint a Director, to the extent that its individual equity holding is above 9.99%
Related Party Transactions	<ul style="list-style-type: none"> Cockatoo and Noble will enter into a new off-take agreement The Offer is not conditional on shareholder approval of the new off-take agreement
Ranking	<ul style="list-style-type: none"> The new shares will be fully paid and rank equally with existing shares
Manager	<ul style="list-style-type: none"> BBY Limited (Underwriter) is acting as underwriter, sole lead manager and bookrunner for the Equity Raising
Information	<ul style="list-style-type: none"> Further details on the Equity Raising can be found in the prospectus to be dispatched to eligible Cockatoo shareholders

Indicative Equity Raising Timetable



Indicative Equity Raising Key Dates

Institutional component of the Entitlement Offer (Institutional Entitlement Offer) opens	5 February 2015
Institutional Entitlement Offer closes	9 February 2015
Institutional Bookbuild	9 February 2015
Announcement of results of Institutional Entitlement Offer	10 February 2015
Record Date for Entitlement Offer	7:00pm (Sydney time) 10 February 2015
Lodgement of prospectus with ASIC and dispatch to Shareholders	13 February 2015
Retail component of the Entitlement Offer (Retail Entitlement Offer) period opens	13 February 2015
Settlement of Institutional Entitlement Offer	18 February 2015
Quotation of securities issued under Institutional Entitlement Offer	19 February 2015
Retail Entitlement Offer period closes	26 February 2015
Retail Bookbuild	2 March 2015
Settlement of Retail Entitlement Offer	10 March 2015
Quotation of securities issued under Retail Entitlement Offer and Bookbuild – normal trading commences	12 March 2015
Holding Statements sent to successful applicants	13 March 2015

Note: Dates and times are indicative only and are subject to change. Cockatoo and BBY reserve the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the above dates and times, either generally or in particular cases, without notice. All times and dates refer to the time in Sydney, Australian Eastern Daylight Savings Time (Sydney time).

Investment Attributes



Fully financed business plan backed by cornerstone investors⁽¹⁾

- Significant equity investment limits finance costs, enabling Cockatoo to maintain financial flexibility
- Re-optimised mine plan and significant overhead reduction

Only ASX investment opportunity primarily driven by ULV PCI market

- 69Mt JORC marketable reserves across Baralaba & Baralaba South
- 348Mt JORC resources across Baralaba Complex
- High quality Ultra-Low Volatile (ULV) metallurgical product; steel making ingredient with limited supply
- Cockatoo highly leveraged to recovery in met coal prices

Attractive opportunity to invest in Cockatoo

- Based on Cockatoo's last closing price on 12 November, 2014 of A\$1.4/share, a rights issue price of A\$0.2/s would represent:
 - c.86% discount to closing share price
 - c.29% discount to TERP⁽²⁾

Track record of operational expertise

- Cockatoo has owned its interest in the Baralaba mine since 2008
- Continued increase of production profile at Baralaba throughout ownership
- Expansion to date at Baralaba delivered on time and ~14% under budget
- EIS for 3.5Mtpa delivered in 13 months - one of the fastest under the QLD EP Act
- Remaining approvals underway

⁽¹⁾ Concept of fully financed business plan is subject to completion of the transactions described within this presentation. Fully financed business plan for period 1 July 2014 – 31 December 2016 assumes coal price based on equity research consensus, FX forecasts based on the forward curve and cost and capital assumptions as per current business plan. Refer to risk factors.

⁽²⁾ Theoretical ex-entitlement price of \$0.0028 per share based on the closing share price on 12 November 2014 of A\$0.014 per Share and including the impact of the Equity Raising.



Market Overview

Market Overview



- Coal prices have decreased significantly since 2011
- Over 27Mt of global metallurgical coal cut backs announced since start of 2014⁽¹⁾
- Cut backs include tonnage reduction, closures and care and maintenance or other suspensions of production

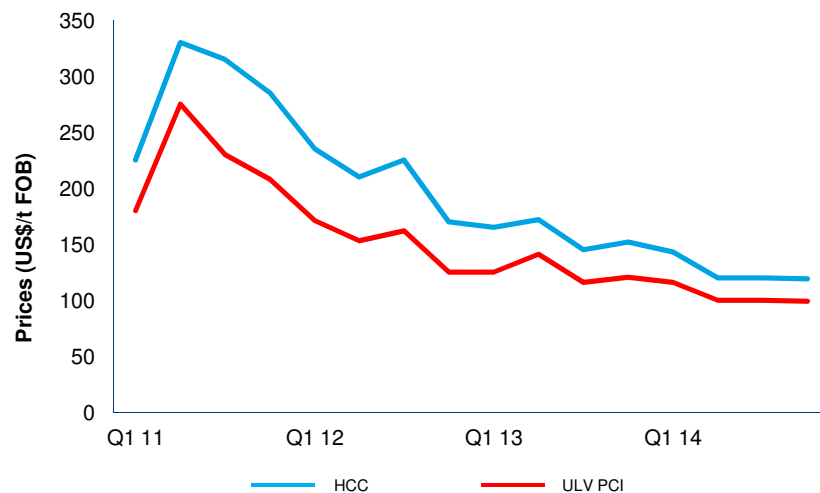
Supplier	Mtpa Reduction
Alpha2 - West Virginia Operations	1.8
Anglo - Trend	1.5
Arch Coal - Cumberland River	0.4
Arch Coal - Reduction in 2014 sales guidance	1.1
BMA - Crinum	3.8
Consol - Low Vol/High Vol Coking Coal	0.8
Glencore - Ravensworth Underground	2.1
Mechel - Bluestone	3.4
Patriot Coal - Wells	1.3
Peabody -Benga	0.4
Rio Tinto - Burton	1.5
Rio Tinto - Hard Coking Coal	0.8
Solid Energy - Stockton	0.5
Vale - Integra	2.3
Vale - Isaac Plains	2.2
Walter Energy - Brazion (Brule & Willow Creek)	2.0
Walter Energy - Wolverine	1.6

Market Overview (continued)



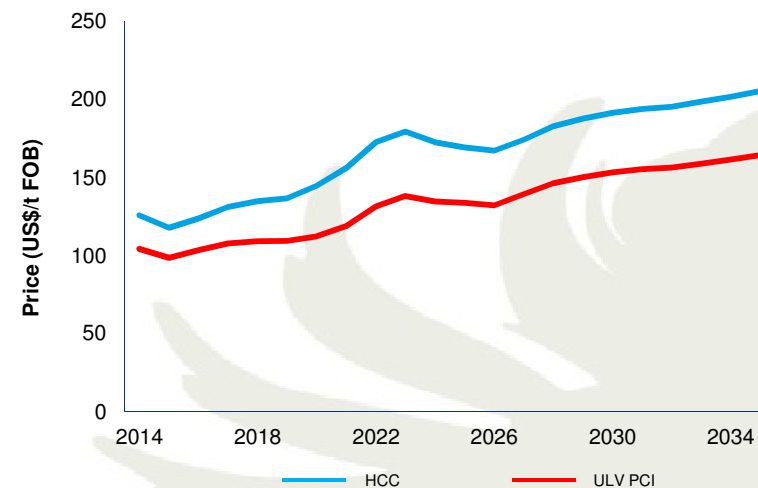
- Higher cost supply is being cut
- Both Hard Coking Coal (HCC) and PCI impacted by market conditions
- PCI prices have fallen ~64% since Q2 2011; ~20% over past 12 months
- Price forecasts are positive as seen below

Price Movement – 2011 to 2014



Source: Wood Mackenzie – Queensland HCC/ULV Indices

Price Forecasts – 2014 to 2034

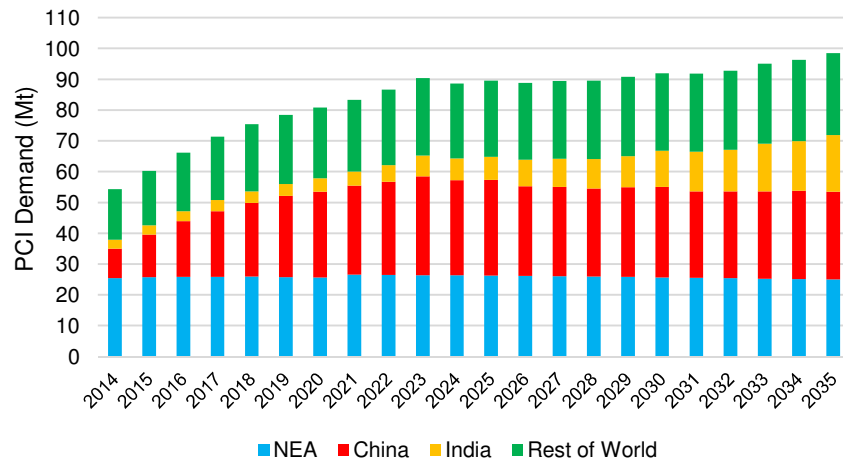


Source: Wood Mackenzie – Queensland HCC/ULV Indices

Market Overview (continued)

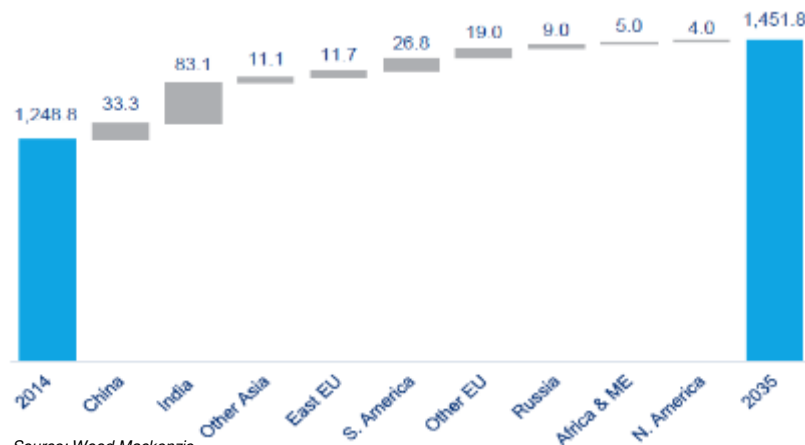


Global Seaborne PCI Demand Growth (Mt) – 2014 to 2035



Source: Wood Mackenzie – NEA includes Japan, South Korea & Taiwan

Sources of hot metal production growth (Mt) – 2014 to 2035



Source: Wood Mackenzie

- World blast furnace weighted average injection rates are forecast to increase as PCI technology is adopted
- PCI market forecast to grow from 15% to 19% of total metallurgical coal trade by 2035
- China and India forecast to account for significant portion of future hot metal production growth
- PCI demand forecast to increase at a faster rate than HCC demand due to blast furnace cost savings
- Forecast widening in prices obtained for ULV PCI coals versus lower quality PCI coals



Cockatoo's Assets

Baralaba Location



Baralaba – Overview & Operations



Mine Overview

- High quality metallurgical coal (ULV PCI) resource
- Queensland Government “Prescribed Project”
- Competitive life of mine strip ratio across mining lease
- 69Mt JORC Marketable Reserves across complex (includes 32Mt Baralaba, 37Mt Baralaba South)
- ~250km product haul from mine to Gladstone Port

Operations

- 738,373 tonnes of product coal produced from Baralaba Complex in CY2014
- Terrace mining method
- Commissioning of new mining fleet complete, with Liebherr 996B achieving highest average rate of bcm removed per hour against East Coast mines (benchmarked by Liebherr) with same excavator (2280 bcm/normal operating hour)



Baralaba – Resources & Reserves



- Cockatoo announced a JORC compliant Resource upgrade to 92.3Mt at Baralaba on 9 October 2014
- Baralaba mine JORC compliant Marketable Reserves are currently 32Mt
- Lochinvar project to the north contains additional 64Mt of JORC compliant Resources, with potential for further increases along strike
- Baralaba South project also provides 167Mt of JORC compliant resources & 37Mt of Marketable Reserves

Project	Resources (Mt)				Marketable Reserves (Mt)
	Measured	Indicated	Inferred	Total	
Baralaba	35.8	33.8	22.7	92.3	32

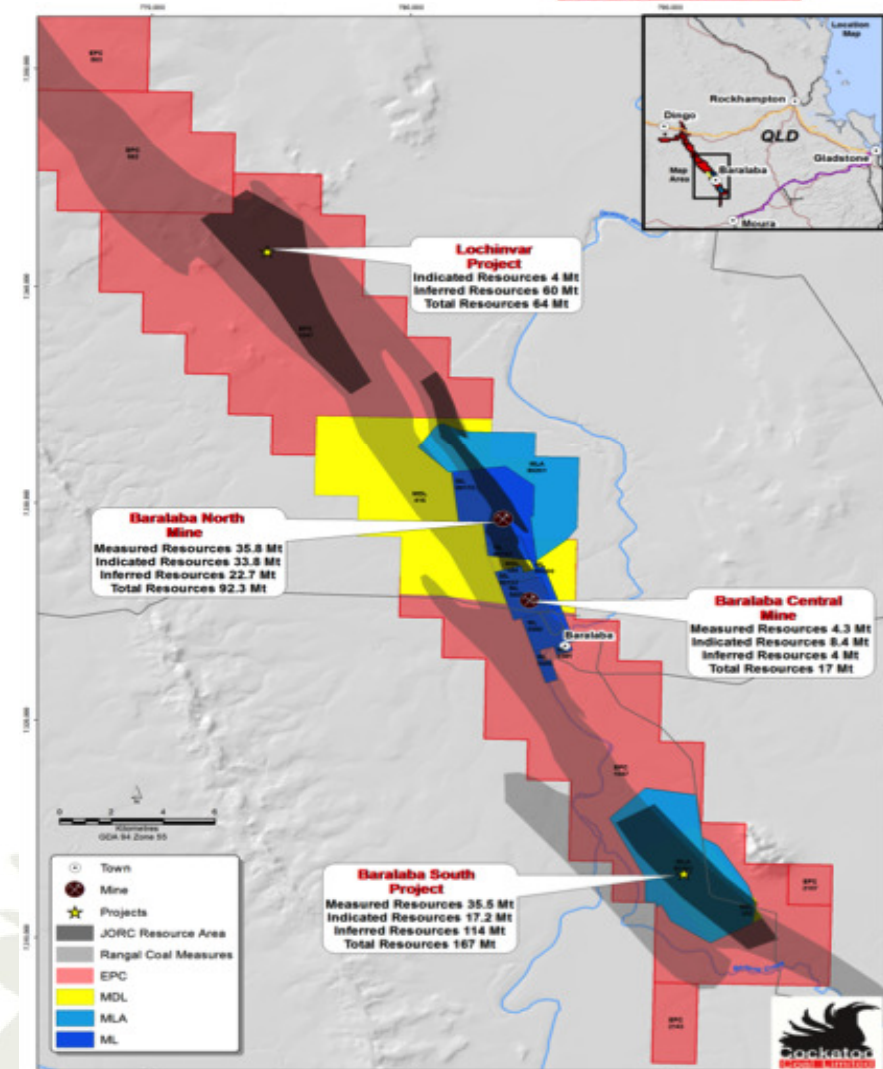
Note

Baralaba refers to ML's 80169, 80170; MLA80201; MDLs 184, 186; part of EPC1047

Baralaba Central refers to MLs 5605 and 80157

Baralaba South refers to MDL352; MLA80193; part of EPC1047

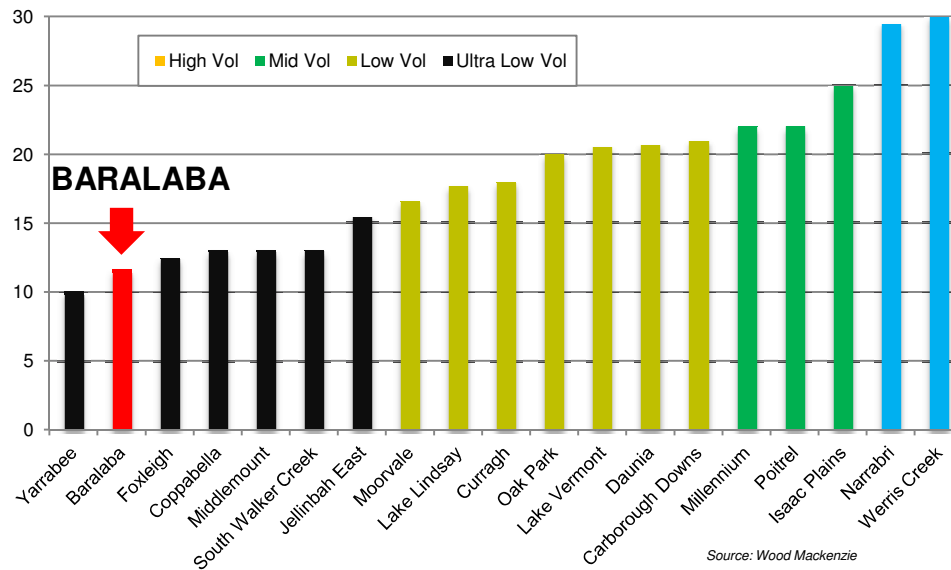
Lochinvar refers to part of EPC1047



Baralaba Coal Quality



Volatile Matter Comparison (% daf basis)



Baralaba Specifications

Baralaba Typical PCI Specification						
TM (% ar)	IM (% ad)	Ash (% ad)	VM (% ad)	FC (% ad)	TS (% ad)	HGI
8.0	1.5	10.5	12.0	76.0	0.60	80

Source: Cockatoo Coal

Project Comparison – Australian ULV Producers

Project	VM (% ad)	Mtpa
Yarrabee	10.0%	2.60
Baralaba	12.0%	1.00 current 3.50 future
Foxleigh	12.5%	2.80
South Walker Creek	13.0%	4.00
Middlemount	13.0%	3.80
Coppabella	13.0%	3.50
Jellinbah	15.5%	4.20

Source: Wood Mackenzie

- Amongst lowest volatile matter content of any Australian PCI mine
- Replacement fuel for HCC in blast furnaces
- Significant cost advantages for steel mills in using ULV PCI over non-PCI and high volatile (HV) PCI
- High replacement ratio characteristics against HCC

Project Pipeline

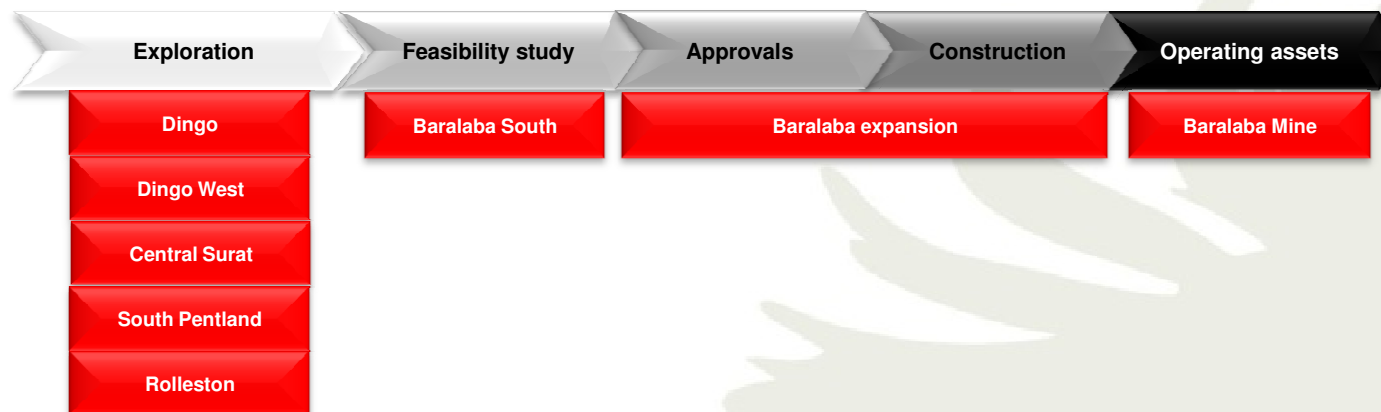


Future PCI project at Baralaba South, with potential ability to utilise Baralaba infrastructure

Greenfield potential future PCI projects at Dingo and Dingo West

Galilee Basin JORC compliant Resource of 445Mt at South Pentland, adjacent to existing heavy haul rail system

Large Surat Basin exposure, with over 780Mt of JORC compliant coal resources





Cockatoo's Strategy

Strategic Change of Mine Plan



- Cockatoo has spread Baralaba capital expenditure across the next 5 years
- Enables forecast mine revenues to contribute significantly to capital requirements
- Reduces reliance on external funding
- Adjusted deployment of mining fleet and CHPP facilities
- Re-optimised pit design to achieve maximum PCI recovery in absence of CHPP for early part of plan
- Revised plan reduces time pressure to obtain statutory approvals

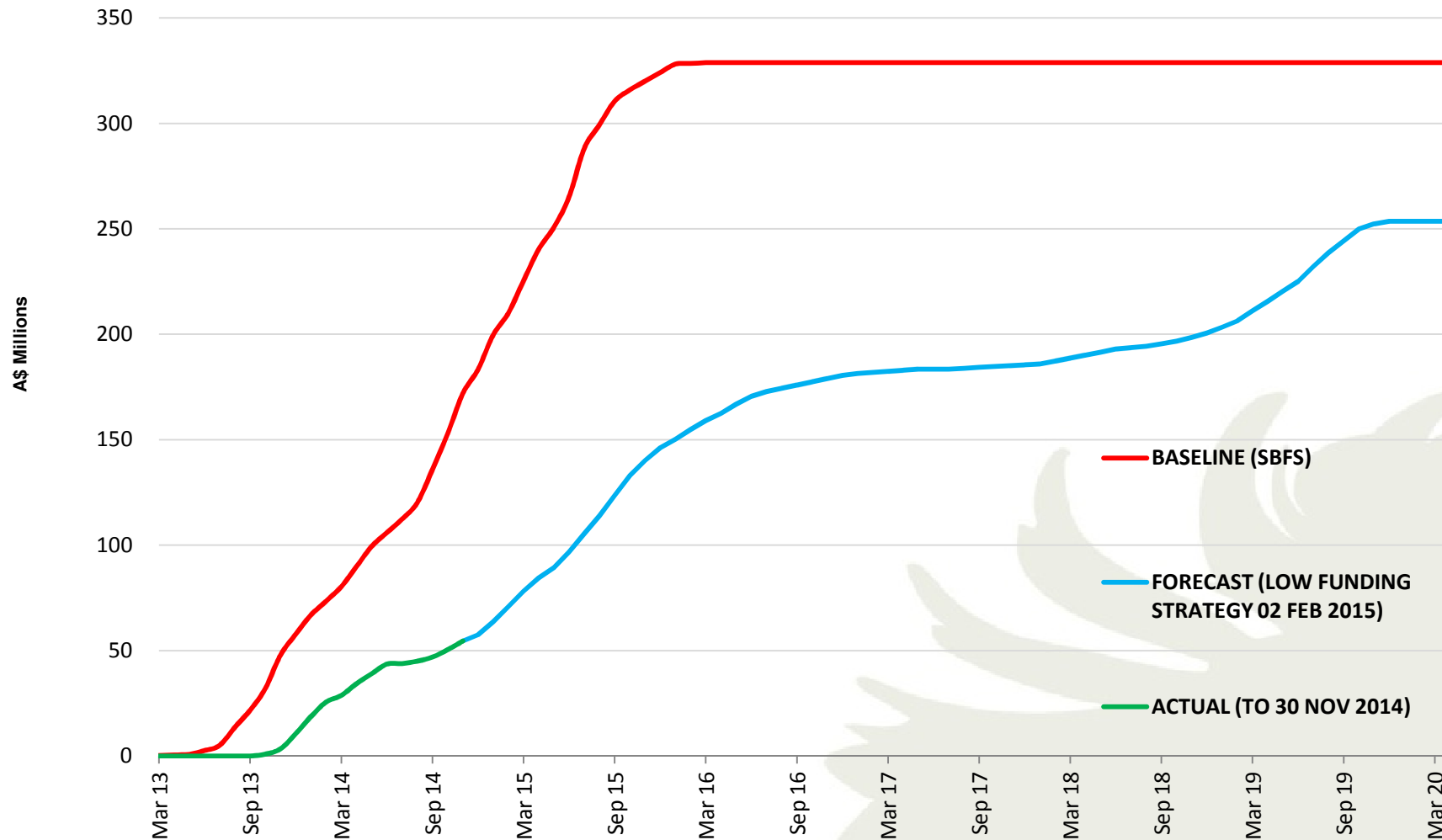
Capex	A\$ Millions
Original SBFS ⁽¹⁾	328
Spent to Dec 2014	-57
Savings identified to date	-76
Capex to spend	195
Capex deferred	-89
Capex spend 2015-2016	106

(1) - SBFS refers to Supplementary Bankable Feasibility Study released 5th April 2013. Nominal SBFS capital estimate of 311 million + 17 million in escalation

Baralaba – Capex Optimisation



Baralaba expansion S-Curve (excluding contingency)



Baralaba Mine Plan Re-Optimisation



- Focus upon existing “Outrigger” pit terraces for next 2 years, with redesign of pit depth to 150m - increasing to 200m in 2019 with new terraces
- Mining from first 2 years is forecast to be over 95% PCI, with some thermal coal being mined and exported throughout remaining 3 years
- Coal Handling & Preparation Plant (CHPP) online in 2020, with option to bring forward depending on PCI market
- Selective mining to maximise PCI mined throughout program, in absence of CHPP
- ~15% total reduction in overburden removed in advance over next 5 years, spread across period
- Reduction in waste fleet deployment
- Gradual production ramp up, with full 3.5Mtpa achieved in H2 CY2018 (previously to be achieved in 2017)



Baralaba – Infrastructure



Pit to Port Arrangements

- Coal hauled from mine to dedicated train load out (TLO) on Moura rail network (60km)
- Rail arrangements in place with Aurizon for rail usage (185km to Gladstone)
- Port arrangements in place with RG Tanna Terminal and Wiggins Island Coal Export Terminal (WICET)

Wiggins Island Coal Export Terminal - September 2014



WICET Progress

- Overall Project more than 98.5% complete
- Gantry stacker mechanical and electrical installations near complete
- All conveyors installed and are being progressively commissioned
- Train receipt facility complete and all functions successfully tested
- Shiploader installed and undergoing commissioning
- Stockyard layout and assignments completed and shippers notified
- Bedding coal tender complete and awarded
- First coal currently scheduled for first half 2015



Sources & Uses of Funds Pro-forma Balance Sheet

Sources & Uses of Funds



Total Sources & Uses

Sources	(A\$ million)
Opening cash (at 01/01/15)	16
Equity Raising proceeds ⁽¹⁾	125
Baralaba cash flows	13
Total Sources	154



Uses	(A\$ million)
Capital expenditure	106
Capital contingency	7
Administration and Other	23
Finance costs	6
Transaction costs	10
Cash to balance sheet ⁽¹⁾	2
Total Uses	154



Fully financed business plan⁽¹⁾ for Cockatoo Coal

⁽¹⁾ Note: Concept of fully financed business plan is subject to completion of the transactions described within this presentation. Fully financed business plan for period 1 July 2014 – 31 December 2016 assumes coal price based on equity research consensus, FX forecasts based on the forward curve and cost and capital assumptions as per current business plan. Refer to risk factors.

⁽²⁾ If the maximum number of shares that could be issued under the top-up subscription (described in Appendix A) are issued, Cockatoo would receive approximately an additional \$20.1 million, and have additional cash to balance sheet of the same amount

Pro-forma Balance Sheet



	Cockatoo 30 June 2014	Release of ⁽¹⁾ restricted term deposits	Sale of 51% ⁽¹⁾ interest in NSJV	\$ 125m underwritten ⁽²⁾ rights issue	Cockatoo pro forma (post equity raise)
Assets					
Cash	1.4	37.0	25.0	115.0	178.4
Receivables	10.7	—	—	—	10.7
Inventories	13.1	—	—	—	13.1
Term deposits	45.7	(37.0)	—	—	8.7
Other assets	278.8	—	(11.9)	—	266.9
Total assets	349.7	—	13.1	115.0	477.8
Liabilities					
Trade & other payables	(40.6)	—	—	—	(40.6)
Revenue received in advance	(11.2)	—	—	—	(11.2)
Short term debt	(1.2)	—	—	—	(1.2)
Long term debt	(64.0)	—	—	—	(64.0)
Other liabilities	(13.8)	—	—	—	(13.8)
Total liabilities	(130.8)	—	—	—	(130.8)
Net assets	218.9	—	13.1	115.0	347.0
Equity					
Share capital	495.9	—	—	115.0	610.9
Option premium reserve	7.6	—	—	—	7.6
Accumulated losses	(262.1)	—	13.1	—	(249.0)
Non-controlling interest	(22.5)	—	—	—	(22.5)
Total Equity	218.9	—	13.1	115.0	347.0

(1) Subsequent to 30 June 2014, cash was received from the release of restricted term deposits and from the sale of the Company's interest in the North Surat Joint Venture. No pro-forma adjustment has been made for the use of these funds to repay creditors, to the fund the development of the Baralaba expansion project or to pay other costs. Actual cash balance after completion of the transactions is therefore estimated to be \$116.4 million, which is the pro-forma amount less \$62 million.

(2) Represents the issue of approximately 62.5 billion shares at a 13.7 ratio to raise \$125 million, net of \$10 million of transaction costs.



Appendix A

Key Terms of Underwriting Agreement

Key Terms of Underwriting Agreement



Proceeds of A\$125 million will be used to fund expansion of the Baralaba mine

The Underwriter will fully underwrite the Entitlement Offer

- The Underwriter and certain Sub-Underwriters will receive fees. The Underwriter will also receive fees for introducing investors into the bookbuilds, and for obtaining the commitment of certain shareholders to take up their entitlements (which may be on-paid to the relevant investors or shareholders)
- Underwriting fees will comprise not more than 5% of the proceeds
- Underwriting is subject to various conditions precedent. Cockatoo has also agreed to indemnify the Underwriter and has also provided various representations, warranties and undertakings
- The Underwriting Agreement is subject to termination events including, but not limited to where:
 - a statement contained in any of the Equity Raising documentation is or becomes false, misleading or deceptive (including by omission)
 - the S&P/ASX200 falls by 10% or more from its level at the time the Underwriting Agreement was signed and remains at that level for 2 consecutive business days or at the close of trading on the day prior to the issue date for shares under either component of the Equity Raising
 - there is an adverse change or an event occurs which is likely to give rise to an adverse change in the financial condition, position, performance, profit or loss or prospects of Cockatoo Coal



Appendix B

Summary of Ancillary Transactions

Summary of Ancillary Transactions



New 28.5Mt off-take agreement with Noble

- Off-take agreement subject to shareholder approval
- Similar terms to the Noble & SK Networks off-take agreements approved by shareholders on 13 October 2014
- If new off-take agreement is not approved by shareholders, Cockatoo is required to pay Noble \$3.5 million
- Noble also to acquire a non-funding 5% equity stake in Baralaba Coal and Wonbindi Coal for a nominal amount. The current value in Baralaba Coal and Wonbindi Coal is in loans owing to shareholders, which Noble will not participate in
- Noble sub-underwriting the Equity Raising is not dependent on completion of these ancillary transactions

Top-up subscription

- Liberty Metals & Mining is sub-underwriting the Equity Raising and wants to ensure that it is not allocated a holding which is insufficiently material in the context of its investment profile upon completion
- If the shortfall under the entitlement offer is not sufficient for Liberty Metals & Mining to hold at least 19.9% of Cockatoo's shares after completion of the Equity Raising, then Cockatoo has agreed to issue Liberty Metals & Mining further shares at \$0.002/share in order to take Liberty Metal & Mining's holding to 19.9%. The number of shares that can be issued under this agreement is limited to 15% of the shares that would be on issue after the Entitlement Offer. This is a cap of approximately 10,059,029,539 shares, raising a maximum of approximately \$20.1 million
- Under this agreement, Cockatoo has granted Liberty Metals & Mining certain warranties, undertakings and indemnities. Pursuant to a deed poll executed by Cockatoo, Cockatoo has also granted equivalent warranties, undertaking and indemnities to the other sub-underwriters
- Under this agreement, Cockatoo has also granted Liberty Metals & Mining an anti-dilution right which allows Liberty Metals & Mining to maintain its shareholding percentage post Equity Raising and which will require Cockatoo to obtain a waiver from ASX



Appendix C

Summary of Key Risks

Key Risks



- There are various risks associated with investing in Cockatoo, as with any stock market investment and, specifically, because of the nature of Cockatoo's coal exploration business and the present stage of development of Cockatoo's operations. Potential investors should consider whether the securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. Many of those risk factors are outside the control of the Directors
- While some common risk factors are set out below, it is not possible to produce an exhaustive list. The Directors recommend that potential investors consult their professional advisers before making any investment decisions

Exploration and Development Risks

- The majority of Cockatoo's projects are still at an exploration / evaluation stage. Coal exploration and mine development generally involves a high degree of risk and is subject to a range of hazards and uncertainty that may impact on ultimate project viability.
- Cockatoo's Ore Reserves and Mineral Resources are based on estimates and assumptions and hence subject to uncertainty. Resource estimates are stated in compliance with the JORC Code however are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available. For example, further exploration may result in changes to the estimated size and quality of coal Reserves and the estimated costs of recovering coal from the exploration projects, affecting the viability of those projects.
- There can be no assurance that Cockatoo's proposed exploration and evaluation program will successfully convert Resources into Reserves or that Reserves will be commercially exploited.

Mining and development risk

- Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. In respect of its business activities, Cockatoo has made estimates of capital expenditures, operating costs and working capital requirements based on current circumstances, and its current understanding of those matters. There is a risk that actual circumstances may differ from Cockatoo's estimates and current understanding, with adverse consequences.

Infrastructure Risks

- Cockatoo is committed to take-or-pay obligations for both port and rail associated with the Baralaba expansion. An inability to deliver the Baralaba expansion on time or at the planned production rate may have material adverse effects on Cockatoo.
- Commercialisation of a significant portion of Cockatoo's Resources will require the development of or upgrade to new or existing port and rail infrastructure, and Cockatoo's access to that infrastructure, including, but not limited to, the Wiggins Island Coal Export Terminal and elements of Wiggins Island Rail Project.
- Until such time as mechanical completion is achieved at the Wiggins Island Coal Export Terminal, no guarantee of capacity above Cockatoo's existing entitlement of 300,000tpa at the RG Tanna Coal Terminal can be provided. Further, until such time as the relevant elements of the Wiggins Island Rail Project are materially complete, there is no guarantee of rail network access for the transportation of coal between the Baralaba train load-out and the Wiggins Island Coal Export Terminal.
- In the event either of these projects fail to deliver the intended capacity of the infrastructure, there can be no assurance that Cockatoo will obtain sufficient volume allocations necessary to support the development of Baralaba
- Cockatoo's use of its full capacity allocation at the Wiggins Island Coal Export Terminal and RG Tanna Coal Terminal, and therefore its ability to fully utilise its rail capacity, is dependent upon sufficient port capacity being available in the Port of Gladstone.
- Further, there can be no assurance that access to rail and port facilities would be obtained on commercially or economically viable terms.

Joint Venture and Third Party Risks

- Cockatoo does not own 100% of all projects in which it is involved. Through Cockatoo's participation in joint ventures and its use of contractors and other third parties for exploration, mining and other services, it is reliant on a number of third parties for the success of its current operations and for the development of its exploration projects.
- Failure to agree on a plan or any plan to develop a jointly owned asset, or a refusal or inability of any joint owner on an asset to contribute its share of funding of the cost of the development of a jointly owned asset could cause problems for Cockatoo.

Key Risks (continued)



Joint Venture and Third Party Risks (continued)	<ul style="list-style-type: none"> Problems caused by third parties may arise which have the potential to impact on the timing, performance and operations of Cockatoo. Any failure by counterparties to perform their obligations may have a material adverse effect on Cockatoo and there can be no assurance that Cockatoo would be successful in attempting to enforce any of its contractual rights through legal action
Environmental Approval Risks	<ul style="list-style-type: none"> Cockatoo will require certain licences and approvals to develop its project suite. Not all such approvals and licences are currently in place. Failure to obtain, or delays in obtaining, such approvals and licences may adversely affect Cockatoo. Cockatoo only currently has an approval for a 1.0Mtpa mining lease at the Baralaba expansion project. Cockatoo still needs to receive the 3.5Mtpa mining lease approval to complete development of the Baralaba expansion project. Problems or delays in securing the 3.5Mtpa mining lease approval may materially impact the performance and operations of Cockatoo.
Access to Future Funding	<ul style="list-style-type: none"> The majority of Cockatoo's projects are early stage and will require additional drilling, evaluation and feasibility study work prior to development. Should the Company proceed to develop its projects it is likely that significant capital expenditure will be required. This process will require substantial additional funding. There can be no assurance that such funding will be available on acceptable terms, or at all.
Coal Prices and Currency Fluctuations	<ul style="list-style-type: none"> Cockatoo's revenues are largely dependent on the prices it receives for coal. Fluctuations in the coal price could have an adverse impact on Cockatoo's financial performance and future prospects. The prices Cockatoo may receive for its coal in the future depend on numerous factors beyond its control including, but not limited to demand for coal, competition, transport facilities and government regulations. The Company's coal sales are generally denominated in US dollars. Although steps may be taken to manage currency risk via hedging of a proportion of the US dollars to be received under export contracts, adverse movements in the Australian dollar against the US dollar can have an adverse impact on Cockatoo. The Company currently has no currency hedging in place.
Adverse Changes to Government Policy and Legislation	<ul style="list-style-type: none"> Changes in government policy may have an adverse impact on Cockatoo's operational performance as well as actual or potential profitability. Changes which may have an adverse impact on Cockatoo include (but are not limited to): <ul style="list-style-type: none"> Changes in taxation laws; Changes in the royalty regime applicable to coal companies in Australian states in which Cockatoo operates; Introduction of increased environmental legislation, including increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees; Introduction of increased safety legislation that may result in a heightened degree of responsibility for companies, their directors and employees; Changes in legislation that may impact Cockatoo's ability to obtain the necessary approvals and permits to develop its project suite; and Changes in foreign legislation (including import tariffs and other importation restrictions) that may impact Cockatoo's ability to economically export coal.
Concept of fully financed business plan	<ul style="list-style-type: none"> Fully financed business plan is subject to completion of Equity Raising and transactions described in this presentation. Fully financed business plan for period 1 July 2014 – 31 December 2016 assumes coal price based on equity research consensus, FX forecasts based on the forward curve and cost and capital assumptions as per current business plan Ancillary transactions are subject to certain conditions precedent which may not be fulfilled.
Coal customer risk	<ul style="list-style-type: none"> If ancillary transaction pertaining to the approximately 28.5Mt (subject to the specific terms of agreement) off-take agreement with Noble is approved by shareholders, approximately 68% of the Company's production will be committed to one counterparty, potentially exposing Cockatoo to risks including circumstances where that counterparty is unable to take delivery of, or make payments for, the applicable coal production.

Key Risks (continued)



General Economic Risks	<ul style="list-style-type: none"> Cockatoo's funding position, financial performance and ability to execute its development strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to coal prices and currency fluctuations (see above), factors that have potential to impact Cockatoo's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Cockatoo's financial position and / or financial performance.
Environmental Guarantees	<ul style="list-style-type: none"> Cockatoo is still in discussions with the Queensland Government about the quantum of the environmental guarantees required for the Baralaba expansion. There can be no assurance that Cockatoo's forecast environmental guarantee estimate will be correct and that the Company will have sufficient facilities in place to cover the obligations.
General Operational Risks	<ul style="list-style-type: none"> Cockatoo's mining operations may encounter operational difficulties that may impact on the amount of coal produced at its coal mines, delay coal deliveries or increase the cost of mining for a varying length of time. Such difficulties include weather and natural disasters, availability of personnel with appropriate skills, industrial action, unexpected maintenance or technical problems and failure of key equipment. These factors may have an adverse impact on the Company's performance.
Landholder and Resource Tenure	<ul style="list-style-type: none"> Cockatoo's land and resource tenure may be disputed by various parties such as community action groups resulting in disruption and/or impediment in the operation or development of a resource. Any new mine development or expansion of existing operations will require landholder, native title and cultural heritage issues to be addressed, which can have significant timing and cost implications.
Claims, Liability and Litigation	<ul style="list-style-type: none"> The risk of litigation is a general risk of Cockatoo's business. Cockatoo may incur costs in making payments to settle any such claims or complying with any court order which may not be adequately covered by insurance or at all. Such payment may have an adverse impact on Cockatoo's profitability and / or financial position and may impact Cockatoo's ability to execute its development plans in part or in full.
Personnel Risks	<ul style="list-style-type: none"> Cockatoo requires access to appropriately skilled and qualified individuals. There can be no assurances that personnel with the appropriate skills will be available. Cockatoo is subject to the risk of industrial action and work stoppages by employees and contractors who provide services which are necessary for the continued operation of the businesses of Cockatoo.
Management	<ul style="list-style-type: none"> Cockatoo may lose key management personnel and may not be able to recruit qualified replacements.
Effect on Control	<ul style="list-style-type: none"> The concentration of Cockatoo ownership with major shareholder insiders upon the completion of the Equity Raising will likely limit other shareholders' ability to influence corporate matters. It is anticipated that Noble, Liberty Metals & Mining, and Harum and any major sub-underwriters will, in aggregate, own over 50% of Shares outstanding after the Equity Raising. As a result, these shareholders will have significant influence over all matters that require approval by Cockatoo shareholders, including the election of directors and approval of significant corporate transactions. Corporate action might be taken even if other shareholders, including those who purchase shares in this Equity Raising, oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control that other shareholders may view as beneficial.
Market for the Company's shares	<ul style="list-style-type: none"> Depending on the size of the shortfall and the outcome of the bookbuilds for any rights not taken up by shareholders, the share register may become more concentrated. Potential investors should take all these factors into account in considering the likely liquidity of the ASX market for COK shares after completion of the Offer.



Appendix D

Foreign Selling Restrictions

Foreign Selling Restrictions



International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. This document may not be distributed to any persons and the New Shares may not be offered or sold in any country outside Australia except to the extent permitted below

European Economic Area - Belgium, Denmark, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as amended and implemented in Member States of the European Economic Area (each, a "**Relevant Member State**"), from the requirement to produce a prospectus for offers of securities

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements)
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO)

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

Indonesia

A registration statement with respect to the New Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the New Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia

Korea

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the New Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The New Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("**FSCMA**") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea

Accordingly, the New Shares may not be offered or sold in Korea other than to "qualified professional investors" (as defined in the FSCMA)

Foreign Selling Restrictions (continued)



New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the Entitlement Offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the Entitlement Offer, the New Shares may not be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency;
- subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ\$750,000.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Share may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.



Appendix E

Competent Persons Information

Table of JORC Resources & Reserves

Competent Persons Information



The information in this Investor Presentation that relates to Cockatoo's Exploration Results, Mineral Resources and Ore Reserves is based on information extracted from the reports detailed below, which are available to view at Cockatoo's website <http://www.cockatoocoal.com.au> and on Cockatoo's company announcement platform at <http://www.asx.com.au>.

- 'Baralaba North JORC Resource Upgrade', released to ASX on 9 October 2014
- 'Bowen Basin Projects Resource and Reserve Updated', released to ASX on 5 April 2013; and
- 'Surat Basin Projects Drilling and Resource Update', released to ASX on 16 January 2013; and
- 'South Pentland Project Resource Upgrade', released to ASX on 10 September 2014; and
- 'Maiden JORC Resource at the Taroom Project', released to the ASX by Blackwood Corporation on 12 September 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of the estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The estimates pertaining to Reserves for Baralaba North Mine, Baralaba South and Baralaba Central Mine were prepared under the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. As such, these statements are not reported in accordance with the current 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC Code), and are considered to be historical estimates. A competent person has not done sufficient work to classify these historical estimates in accordance with the 2012 JORC Code, and it is uncertain that following evaluation and/or further exploration work that the estimates will be able to be reported as Reserves in accordance with the 2012 JORC Code.

The estimates pertaining to Resources for Baralaba South, Baralaba Central Mine, Lochinvar, Tin Hut Creek, Kingaroy, Bottle Tree, Krugers, Davies Road and Bushranger were prepared under the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. As such, these statements are not reported in accordance with the current 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC Code), and are considered to be historical estimates. A competent person has not done sufficient work to classify these historical estimates in accordance with the 2012 JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as Resources in accordance with the 2012 JORC Code.

JORC Resource & Reserves



					JORC Classification				
					Reserves	Resources			Total
					Marketable (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Project	Cockatoo Equity (%)	Tenements	Depth of Resource	Coal Type					
Baralaba Projects									
Baralaba Mine	100	MLs 80169 and 80170, MDLs 184 and 416, EPC 1047 & MLA 80201	<200	PCI / Thermal	32.0	35.8	33.8	23	92
Baralaba (Central)	100	MLs 5605 and 80157	<200	PCI / Thermal	0	4.3	8.4	4	17
Baralaba South	100	MDL 352 and EPC 1047 (MLA 80193)	<200	PCI / Thermal	37.0	35.5	17.2	114	167
	100	EPC 1047	<200	PCI /Thermal	0	0	0	25	25
Lochinvar	100	EPC 1047	<200	PCI / Thermal	0	0	4.0	60	64
Other Projects									
Tin Hut Creek	100	MDL 430	<150	Thermal	0	0	206.6	137	344
Bottle Tree	100	MDL 433	<125	Thermal	0	0	29.5	6	36
Krugers	100	EPCs 796 and 1041 (MDLA 441)	<150	Thermal	0	0	33.2	130	163
Davies Road	100	EPCs 813 and 1041 (MDLA 437)	<150	Thermal	0	0	14.4	35	49
Bushranger	100	EPC813 (MDLA 451)	<150	Thermal	0	0	18.8	126	145
Broadmere	100	EPC 1465	<150	Thermal	0	0	0	52	52
Kingaroy	100	EPC882	<300	Thermal	0	35.5	128.3	115	278
South Pentland	100	EPC 1762 & 1486	200-600	Thermal	0	0	94	351	445
Group TOTAL					69.0	111.1	588.2	1178	1877

Additional information

1. Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus for offers of:

- securities in a class which have been continuously quoted by ASX for the three months prior to the date of the prospectus; and
- options over such continuously quoted securities.

Shares in the Company have been continuously quoted by ASX for the three months prior to the date of this Prospectus. The information in this Prospectus principally concerns the terms and conditions of the Retail Entitlement Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- the effect of the Entitlement Offer on the Company; and
- the rights and liabilities attaching to the New Shares (and Additional New Shares).

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in a prospectus for an initial public offering of shares.

The Company, since listing, has provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Shareholders and other investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

No party other than Cockatoo Coal has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

2. Reporting and disclosure obligations

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

3. Availability of other documents

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on the ASX website (www.asx.com.au). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at any office of ASIC. The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the Entitlement Offer period:

- the Annual Report lodged with ASIC and given to ASX by the Company for the year ended 30 June 2014;
- any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act) after the date of lodgement with ASIC and giving to ASX of the Annual Report referred to above and before lodgement with ASIC of this Prospectus. Details of these notices are as follows:

Date	Title of announcement
10/02/2015	Reinstatement to Official Quotation
10/02/2015	Completion of Institutional Entitlement Offer
05/02/2015	Appendix 3B
05/02/2015	Quarterly Activities Report
05/02/2015	Pathfinder Prospectus
05/02/2015	Presentation to Investors
05/02/2015	\$125M Recapitalisation to fund Baralaba Expansion Project
03/02/2015	Extension of Voluntary Suspension
27/01/2015	Extension of Voluntary Suspension
05/01/2015	Extension of Voluntary Suspension
23/12/2014	Completion of Sale of North Surat Joint Venture
01/12/2014	Extension of Voluntary Suspension
27/11/2014	Results of Annual General Meeting
24/11/2014	Extension of Voluntary Suspension
21/11/2014	Sale of interest in North Surat Joint Venture for A\$25M
17/11/2014	Suspension from Official Quotation
13/11/2014	Trading Halt
03/11/2014	Updated Quarterly Activities Report
31/10/2014	Quarterly Activities Report

All requests for copies of the above documents should be addressed to:

The Company Secretary
Cockatoo Coal Limited
Level 4, 10 Eagle Street
Brisbane QLD 4000

Certain documents are also available on the Company's website (www.cockatoocoal.com.au).

4. Rights and liabilities attaching to Shares

There is presently only one class of share in the Company: **fully paid ordinary shares**. The rights attaching to fully paid ordinary shares in the Company (i.e. Shares, New Shares and Additional New Shares (if any)) are:

- set out in the Company's constitution (**Constitution**); and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a summary of the significant rights attaching to the New Shares (and therefore to Additional New Shares, if applicable). This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Voting rights

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for every Share held. On a poll, partly paid Shares confer a fraction of a vote proportional to the amount paid up on the Share (excluding any amount credited as paid up). A poll may be demanded by at least 5 Shareholders present and entitled to vote at the meeting, by Shareholders with at least 5% of the votes that may be cast on the resolution, or by the chairperson.

General meetings and notices

Each Shareholder is entitled to receive notice of, and except in certain limited circumstances, to attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

Dividends

Shares carry the right to receive dividends. The Directors may from time to time pay dividends to Shareholders out of the profits of the Company. Subject to the requirements of the Corporations Act, the Directors may pay any interim and final dividends as, in their judgment, the financial position of the Company justifies. The Directors may fix the amount and time for and method of payment of the dividends. The payment of a dividend does not require any confirmation by Shareholders of the Company in a general meeting.

Transfer of Shares

Shareholders may transfer Shares electronically by a transfer effected in accordance with the ASX Settlement Operating Rules, the Corporations Act and the ASX Listing Rules. Where the Shares are quoted on ASX, the Directors may in their absolute discretion refuse to register any transfer in any of the circumstances permitted by the ASX Listing Rules. The Company must not refuse or fail to register or give effect to, or delay or in any way interfere with, a proper ASX Settlement transfer of Shares quoted by ASX.

Issue of further Shares

The Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution, the ASX Listing Rules and the Corporations Act) issue, grant options over, or otherwise dispose of, Shares on such terms as the Directors determine.

Winding up

Shares attract the right in a winding up to participate equally in the distribution of the assets available for distribution (subject to any amounts unpaid on a Share). On a winding up of the Company, the liquidator may, with the approval of a special resolution of the Company, divide among the Shareholders in kind, all

or any of the Company's assets and determine how such division is to be carried out between different classes of Shareholders.

Directors – appointment and removal

The minimum number of Directors is 3. Directors are elected at general meetings of the Company. Retirement will occur on a rotational basis so that one-third of the Directors retire at each annual general meeting of the Company. A Director retiring by rotation is eligible for re-election, subject to certain restrictions. The Directors may also appoint a Director to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Directors voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present and entitled to vote on the matter. In the case of an equality of votes, the chairperson has a second or casting vote.

Member liability

As any New Shares issued on exercise of Options will be fully paid, they are not subject to any calls for money by Directors and will therefore not become liable to forfeiture.

Variation of rights

Under the Constitution, the rights attached to any class of shares in the Company (including Shares, New Shares and Additional New Shares) may be varied in accordance with the Corporations Act by special resolution of the Company or special resolution of a meeting of members holding shares in that class.

Dividend and share plans

The Directors may implement a dividend reinvestment plan, an employee share plan and an employee option plan not being inconsistent with the provisions of the Constitution. While the Company has not presently adopted a dividend reinvestment plan it has adopted the Cockatoo Coal Executive Option Plan.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes cast by Shareholders entitled to vote on the resolution.

5. Eligible Retail Shareholders

The information in this Prospectus contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 713 of the Corporations Act.

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date²¹;
- have an address on the Cockatoo Coal share register in Australia or New Zealand (and where they have a registered address in New Zealand, continue to be a registered holder of Shares as at 9.00am (Sydney time) on 13 February 2015 (the time that the Retail Entitlement Offer opens));

²¹ In accordance with the ASX Listing Rules, Cockatoo Coal may ignore changes in security holdings which occur after the imposition of the trading halt in Shares on 12 November 2014 (other than registrations of transactions which were effected through ASX Trade before the trading halt).

- are not in the United States and are not a person in the United States or acting for the account or benefit of U.S. Persons, to that extent;
- did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Retail Shareholders who do not satisfy each of these criteria are **Ineligible Retail Shareholders**.

Ineligible Retail Shareholders will be sent a letter in the form lodged with ASX on or about 13 February 2015.

Cockatoo Coal may (in its absolute discretion) extend the Retail Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

Cockatoo Coal, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder and is therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and is therefore unable to participate in the Retail Entitlement Offer.

Cockatoo Coal disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

Cockatoo Coal may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

6. Ineligible Shareholders

Cockatoo Coal has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Shares and who are in the United States or have addresses on the share register outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Only Eligible Retail Shareholders are entitled to participate in the Retail Entitlement Offer. To satisfy applicable ASX Listing Rule conditions, Cockatoo Coal will appoint a nominee that will issue the nominee with entitlements to subscribe for New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange for the sale of those entitlements to certain institutional investors to be conducted on or around 2 March 2015, and will work with Cockatoo Coal to distribute any Retail Premium (net of expenses and withholdings required by law) proportionately to Ineligible Retail Shareholders.

7. Additional New Shares

Eligible Retail Shareholders may also apply for Additional New Shares in excess of their Entitlement. There is no guarantee you will receive the amount of Additional New Shares applied for, if any.

Additional New Shares will only be allocated to Eligible Retail Shareholders if and to the extent that Cockatoo Coal so determines, in its absolute discretion (although, Cockatoo Coal will allocate Additional New Shares to Eligible Retail Shareholders in priority to any sub-underwriter of the Entitlement Offer). Cockatoo Coal may apply any scale-back to applications for Additional New Shares in its absolute discretion.

If you apply for Additional New Shares then, the Excess Amount (if any) may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full.

No Additional New Shares will be issued to a Shareholder which will result in them increasing their voting power in Cockatoo Coal above 20%.

8. Reconciliation, Reconciliation Shares and the rights of Cockatoo Coal and the Underwriter

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Cockatoo Coal may need to issue additional New Shares (**Reconciliation Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Reconciliation Shares would be issued is not known.

Cockatoo Coal also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Cockatoo Coal believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Cockatoo Coal may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by Cockatoo Coal to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Cockatoo Coal in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Cockatoo Coal or the Underwriter to require any of the actions set out above. Cockatoo Coal reserves the right to determine whether a retail Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

If any Shareholder receives proceeds from the Retail Bookbuild in excess of the proceeds to which it was actually entitled based on its Shareholding as at the Record Date, then, in the absolute discretion of Cockatoo Coal and the Underwriter, the Shareholder may be required to repay the Underwriter the excess proceeds.

By accepting their Entitlement, or accepting proceeds from the Retail Bookbuild, Shareholders irrevocably acknowledge and agree to repay any excess proceeds as set out above as required by

Cockatoo Coal and the Underwriter in their absolute discretion. Shareholders also acknowledge that there is no time limit on the ability of Cockatoo Coal and the Underwriter to require repayment as set out above.

9. Warranties made on acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this Prospectus and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus and the Constitution;
- authorise Cockatoo Coal to register you as the holder(s) of New Shares (and any Additional New Shares) issued to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Cockatoo Coal receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued with up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, including, in each case, any Additional New Shares, at the Offer Price per share;
- authorise Cockatoo Coal, the Underwriter, the Share Registry and any of their respective officers or agents to do anything on your behalf necessary for New Shares (and any Additional New Shares) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Prospectus and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this Prospectus and your Entitlement and Acceptance Form is not a recommendation that New Shares (including Additional New Shares) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that you have read and understood the 'Key risks' section of the Investor Presentation reproduced in this Prospectus and that investments in Cockatoo Coal are subject to a high degree of risk;
- acknowledge that none of Cockatoo Coal, the Underwriter, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents,

consultants or advisers, guarantee the performance of Cockatoo Coal, nor do they guarantee the repayment of capital;

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Cockatoo Coal to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Cockatoo Coal, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and that you are not an eligible institutional Shareholder under the Institutional Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (or Additional New Shares); and
- represent and warrant that your acceptance of the Retail Entitlement Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Retail Shareholder (as defined in the 'Additional information' section) or otherwise eligible to participate in the Retail Entitlement Offer and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Shares or Additional New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- the Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements may not be taken up, and the New Shares or Additional New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

10. Consents

Each of the parties named below:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below;
- has not had any involvement in the preparation of any part of the Prospectus (other than confirming references to its name) nor have any of them authorised, or caused the issue of, the Prospectus; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus, other than the reference to its name in the form and context in which it appears and any statement included in this Prospectus with its consent, as specified in the table below.

Role	Consenting party	Consent
Underwriter	BBY Limited	Consent to be named
Australian legal adviser	Minter Ellison	Consent to be named
Share Registry	Computershare	Consent to be named
n/a	Behre Dolbear Australia	Consent to be named
n/a	Wood MacKenzie	Consent to be named

11. Interests of Directors

Other than as set out below or elsewhere in this Prospectus:

- No Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, an interest in:
 - the formation or promotion of the Company;
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
 - the Entitlement Offer itself.
- No amounts, whether in cash or New Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with:
 - the promotion or formation of the Company; or
 - the Entitlement Offer (or either of its components).

As at the date of this Prospectus, the Directors have the following interests in issued securities of the Company, either directly or indirectly:

Director	Interest in Shares	Interest in unquoted options in Cockatoo Coal
Peter Richards	Nil	Nil
Andrew Lawson	71,145,504	5,000,000 (exercisable for \$0.70 per option on or before 30 September 2015)
Hyeondong Cho	Nil	Nil
Timothy Gazzard	Nil	Nil
Rodney Ruston	16,000	Nil
Robert Yeates	1,180,303	Nil
Kenneth Thompson	Nil	Nil

12. Interests of advisers and costs of the Entitlement Offer

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner), has held at any time in the past two years any interests in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- the Entitlement Offer (or any component of it) itself.

In addition, other than as set out below, no amounts (whether in cash, New Shares or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Entitlement Offer (or any component of it):

- BBY Limited has acted as Underwriter to the Entitlement Offer. In relation to these services, the Company has agreed to pay the Underwriter gross proceeds of approximately \$3.75 million²²; and
- Minter Ellison has acted as Australian legal advisers to the Company in relation to this Prospectus and the Entitlement Offer. In aggregate, the Company has paid or agreed to pay \$200,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Minter Ellison in accordance with their usual time based charge out rates.

²² Out of these gross proceeds, the Underwriter is required to pay fees to certain of the sub-underwriters (excluding Liberty Metals & Mining) in consideration for their agreement to sub-underwrite a portion of the Entitlement Offer. See section 21 of the 'Additional information' section of this Prospectus for further detail in relation to the sub-underwriting fees payable by the Underwriter to Noble Group and Harum. Separately, however, an amount of \$2.5 million is payable by Cockatoo Coal to Liberty Metals & Mining in consideration for Liberty Metals & Mining's entry into the Top-Up Subscription Agreement. See section 29 of the 'Additional information' section of this Prospectus for further detail in relation to this payment.

13. No withdrawal or cooling-off rights

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares or Additional New Shares.

Cockatoo Coal reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares or Additional New Shares to Eligible Retail Shareholders, in which case Cockatoo Coal will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

14. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

15. No Entitlements trading

Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred (other than in the Retail Bookbuild).

16. Not investment advice or financial product advice

The information in this Prospectus is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. Cockatoo Coal is not licensed to (and does not) provide financial product advice in respect of the New Shares or Additional New Shares.

The information in this Prospectus does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in the light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Prospectus, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

17. Foreign jurisdictions

The information in this Prospectus has been prepared to comply with the applicable requirements of the securities laws of Australia and New Zealand.

The information in this Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or the Additional New Shares, or otherwise permit a public offering of the New Shares or Additional New Shares, in any jurisdiction outside of Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by Cockatoo Coal to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

For further detail please see the Foreign Selling Restrictions set out in Annexure D of the Investor Presentation reproduced in this Prospectus.

17.1 United States

This Prospectus and any material accompanying it may not be released or distributed in the United States. This Prospectus and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States and the New Shares and Additional New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares and Additional New Shares to be offered and sold to Eligible Retail Shareholders will only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

18. Governing law

The information in this Prospectus, the Retail Entitlement Offer, and dealings in the Entitlements and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Shareholder who applies for New Shares or Additional New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

19. Taxation

The following is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are resident in Australia for tax purposes and who hold their Shares on capital account for the purposes of investment.

The Australian taxation system is complex and the taxation consequences for each Eligible Retail Shareholder may differ depending upon their particular circumstances and the views of the Australian Taxation Office (ATO). This summary is intended as a general guide only, it does not constitute taxation advice and should not be relied upon as such and is not a complete statement of all the potential tax implications for any Eligible Retail Shareholder. All Eligible Retail Shareholders should seek professional taxation advice as to the taxation implications of the Retail Entitlement Offer appropriate to their individual circumstances.

This summary reflects the provisions of the Australian tax laws and the regulations made under those tax laws, taking into account rulings and determinations published by the ATO applicable as at the date of this Prospectus. The summary does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account the tax legislation of countries other than Australia.

The summary is not exhaustive of all the Australian taxation considerations that may apply to an Eligible Retail Shareholder and, in particular, does not apply to Eligible Retail Shareholders who:

- (a) hold their Shares (or will hold their Entitlement) as revenue assets (i.e. they are engaged in a business of share trading, banking or investment) or as trading stock or otherwise;
- (b) have acquired their Shares for the purposes of resale at a profit;
- (c) acquired their Shares under an arrangement which qualifies as an employee share scheme or option plan for Australian tax purposes;

- (d) are subject to special tax rules such as a bank, insurance company, tax exempt organisation or superannuation fund; or
- (e) are non-resident Shareholders that hold their Shares as an asset of a permanent establishment in Australia.

Issue of Entitlements

Subject to the qualifications below, the issue of the Entitlements should not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder. This is because the Entitlements should satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and where the other investor and investment requirements are met, therefore be treated as non-assessable income and non-exempt income.

Taking up your Entitlements to acquire New Shares

For Eligible Retail Shareholders who exercise their Entitlements and are allocated New Shares:

- there should be no immediate Australian taxation liability in respect of the exercise of an Entitlement by an Eligible Retail Shareholder to acquire New Shares;
- the Entitlements will cease to exist and a CGT event will occur. However, any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which the Eligible Retail Shareholder exercises their Entitlements; and
- the New Shares should have a cost base for CGT purposes equal to the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.

New Shares and Additional New Shares – Taxation of dividends and distributions

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and may acquire, in Cockatoo Coal's absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares or Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

The actual date of acquisition of the New Shares and Additional New Shares will be relevant for the application of certain integrity rules that are based on ownership periods such as the '45 day holding period' rule that is to be satisfied to be eligible for imputation credits attached to dividends.

New Shares – Taxation of capital gains

On any future disposal of New Shares or Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those shares. The cost base of those shares is described above.

An Eligible Retail Shareholder will therefore make a capital gain from the disposal of their New Shares or Additional New Shares if the capital proceeds that they receive exceeds the cost base of their New Shares or Additional New Shares. Conversely, a capital loss will arise if the reduced cost base of the New Shares or Additional New Shares held by an Eligible Retail Shareholder exceeds the capital proceeds they receive.

Any capital gain made from the disposal of the New Shares or Additional New Shares will be combined with any other capital gains made by the Eligible Retail Shareholder for the relevant income year. The

total capital gains will then be reduced by any capital losses an Eligible Retail Shareholder has made in the income year or can deduct from a prior income year. The resulting net capital gain (if any) will consequently be included in the Eligible Retail Shareholder's assessable income for the income year, subject to any available CGT discount (please see below).

A capital loss that arises on the disposal of the New Shares or Additional New Shares may only be offset against an Eligible Retail Shareholder's assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss may be applied against the Eligible Retail Shareholder's future assessable capital gains (before taking into account the CGT discount, if applicable). A capital loss is not available to reduce other revenue gains or assessable income amounts.

CGT discount

Any capital gain arising to Eligible Retail Shareholders who are individuals and trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting current year or prior year capital losses from other asset disposals) if the New Shares or Additional New Shares are held for at least 12 months after the date they are acquired.

For Eligible Retail Shareholders which are complying superannuation funds, any capital gain can generally be reduced by one-third (after first offsetting current year or prior year capital losses from other asset disposals) if they hold their New Shares or Additional New Shares for at least 12 months after the date those New Shares or Additional New Shares are acquired. The CGT discount is not available to Eligible Retail Shareholders that are companies.

New Shares will be acquired on the date the Eligible Retail Shareholder exercises their Entitlement. Additional New Shares will be acquired when Cockatoo Coal issues those Additional New Shares. Accordingly, a CGT discount will only be available in respect of a disposal of the New Shares or Additional New Shares, where they have been held for at least 12 months after the date of acquisition.

Taxation of Financial Arrangements (TOFA)

An Entitlement or right to receive a share is a 'financial arrangement'.

The *Taxation of Financial Arrangement (TOFA)* provisions apply to make assessable or deductible, gains or losses arising from certain 'financial arrangements'. The TOFA rules apply for certain income tax years commencing on or after 1 July 2010. However, a taxpayer can elect to apply the TOFA rules to income tax years commencing on or after 1 July 2009 and may also elect to apply the TOFA Amendments to existing financial arrangements held at the relevant start date.

Some taxpayers are excluded from the TOFA rules unless they make an election for them to apply. This includes:

- individuals;
- superannuation funds with asset values of less than \$100 million;
- managed investment schemes with asset values of less than \$100 million;
- other entities with asset values of less than \$300 million.

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Eligible Retail Shareholders should obtain their own advice in relation to the potential application of the TOFA rules, in light of their own individual facts and circumstances.

Entitlements that are not taken up

Shareholders may receive a Retail Premium in respect of Entitlements that are not taken up, in the form of a cash payment. An amount received in these circumstances should be taxable as a capital gain (being the sale proceeds less any non-deductible costs of disposal). A CGT discount should be available where the underlying shares have been held for more than 12 months.

The Commissioner of Taxation has ruled in 2012/1 "*Retail Premiums paid to shareholders where share entitlements are not taken up or are not available*" (**TR 2012/1**) provides that certain retail premiums are assessable as either an unfranked dividend or as ordinary income, and not as capital gains. TR 2012/1 states that it only applies to the entitlements which cannot be traded, transferred, assigned or otherwise dealt with by or on behalf of the shareholder. As outlined in sections 5.1 and 5.1 'Details of the Retail Entitlement Offer and how to apply section' of this Prospectus, the Entitlements which are renounced will be transferred and potentially sold in the Retail Bookbuild on behalf of Renouncing Shareholders. Accordingly, Eligible Retail Shareholders who do not take up their Entitlements and receive a retail premium will be taxed on this amount as a capital gain.

The Commissioner of Taxation has not issued any public ruling or other guidance specific to the tax treatment of Retail Premiums received in the particular circumstances of the Retail Bookbuild. Eligible Retail Shareholders need to be aware that the Commissioner of Taxation may seek to apply the tax treatment specified in TR 2012/1 to Entitlements sold in the Retail Bookbuild and treat the Retail Premium as assessable either as an unfranked dividend or as ordinary income and not as a capital gain. Given the uncertainty around the tax treatment of Retail Premiums, Cockatoo Coal recommends that you seek your own tax advice if you propose to allow part or all of your Entitlement to be sold into the Retail Bookbuild.

New Zealand resident Eligible Retail Shareholders

Eligible Retail Shareholders that are not resident of Australia are currently not assessable on capital gains arising from the disposal of shares in an Australian company where those shares do not qualify as 'taxable Australian property'. Shares in an Australian company may qualify as 'taxable Australian property' at the time of disposal if they meet:

- the non-portfolio interest test – that is, the shareholder (together with their associates) has a membership interest of 10% or more at that time or throughout any period of 12 months commencing 24 months before the disposal;
- the principal asset test – that is, a majority of the company's underlying assets consist of real property (including mining rights) situated in Australia.

A non-Australian resident Cockatoo Shareholder may therefore not be subject to Australian CGT as a result of disposing of their New Shares or Additional Shares.

Non-Australian resident Cockatoo Shareholders should seek their own independent taxation advice as to the taxation implications of the Scheme in their country of residence.

Other Australian taxes

No Australian Goods and Services tax (**GST**) or stamp duty should be payable in respect of the grant, exercise or lapse of the Entitlements or the acquisition of New Shares or Additional New Shares.

20. Underwriting

On 4 February 2015, Cockatoo Coal entered into an underwriting agreement with the Underwriter, under which the Underwriter has agreed to manage the Entitlement Offer and fully underwrite²³ the Entitlement Offer (**Underwriting Agreement**).

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- Cockatoo Coal has (subject to certain limitations) agreed to indemnify the Underwriter, its related bodies corporate and affiliates and their officers, employees, agents and advisers against losses suffered or incurred in connection with the Entitlement Offer;
- Cockatoo Coal and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;
- the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - a statement contained in any of the offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or any of the offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
 - a new circumstance which is materially adverse from the point of view of an investor has arisen since the date of the pathfinder version of this Prospectus, or since the date of this Prospectus, which would have been required by the Corporations Act to be included in the pathfinder version of this Prospectus (assuming it was a prospectus), or the Prospectus, respectively, if the matter had arisen before the respective date;
 - any person (other than the Underwriter) who has previously consented to the inclusion of its name in this Prospectus, withdraws that consent;
 - the S&P/ASX 200 falls by 10% or more from its level at the time that the Underwriting Agreement was entered into and is at or below that level (a) at the close of trading on 2 consecutive Business Days prior to the issue of the New Shares under the Retail Entitlement Offer or (b) at the close of trading on the Business Day immediately prior to that date;
 - ASX announces that Cockatoo Coal will be removed from the official list or that any New Shares offered under the Entitlement Offer will be delisted or suspended from quotation by ASX for any reason;
 - any Director or officer of Cockatoo Coal is charged in relation to fraudulent conduct, whether or not in connection with the Entitlement Offer;
 - ASX withdraws, revokes, or adversely amends the waiver referred to in section 23 of the 'Additional information' section of this Prospectus;
 - Cockatoo Coal withdraws the Entitlement Offer;
 - there are adverse changes or disruptions to the financial markets of key countries or hostilities commence or escalate in key countries; or

²³ However, and as is typical for an underwritten offer of this nature, the underwriting of the Entitlement Offer is conditional on the satisfaction of certain conditions precedent.

- there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of Cockatoo Coal and its subsidiaries.

The Underwriter has not authorised or caused the issue of this Prospectus and takes no responsibility for any information in this Prospectus or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

21. Sub-underwriting fees

As disclosed in the Chairman's letter, and in the 'Details of the Retail Entitlement Offer and how to apply' and the 'Purpose and effect of the Entitlement Offer' sections of the Prospectus, the Underwriter has entered into sub-underwriting arrangements in relation to the Entitlement Offer with Noble Group, Harum and Liberty Metals & Mining. The Company understands that in consideration for Noble Group's and Harum's entry into these arrangements that the Underwriter will pay sub-underwriting fees of not more than \$3.04 million to Noble Group and \$312,500 to Harum. No sub-underwriting fees are payable to Liberty Metals & Mining²⁴.

22. Financial data

All dollar values in this Prospectus are in Australian dollars (\$) or A\$) unless otherwise stated.

23. ASX waiver

In connection with the Top-Up Subscription Agreement, the Company applied for, and ASX has now granted, a 'timing' waiver from ASX Listing Rule 7.1 to the extent necessary to permit the Company to determine the number of New Shares that it may issue under the Top-Up Subscription Agreement by reference to the number of Shares that it will have on issue on completion of the Entitlement Offer.

24. Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Prospectus during the Retail Entitlement Offer period by calling the Share Registry on 1300 552 270 (within Australia) or +61 3 9415 4000 (from outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday.

A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry. Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons that are in the United States or otherwise distributed in the United States.

25. Forward-looking statements and future performance

Neither Cockatoo Coal, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or Additional New Shares or any return on any investment made pursuant to the information in this Prospectus. Forward-looking statements, opinions and estimates provided in the information in this Prospectus are based on assumptions and

²⁴ \$2.5 million is however payable by Cockatoo Coal to Liberty Metals & Mining in consideration for Liberty Metals & Mining's entry into the Top-Up Subscription Agreement. See section 29 of the 'Additional information' section of this Prospectus for further detail in relation to this payment.

contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward-looking statements including projections, guidance on sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Cockatoo Coal and the board of directors of Cockatoo Coal, including the risks described in Appendix C of the Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Prospectus.

26. Past performance

Past performance and pro-forma historical financial information given in this Prospectus is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

27. Notice to nominees and custodians

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not), institutional Shareholders who were treated as ineligible institutional investors under the Institutional Entitlement Offer and Ineligible Retail Shareholders.

28. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Prospectus. Any information or representation that is not in this Prospectus may not be relied on as having been authorised by Cockatoo Coal, or its related bodies corporate, in connection with the Retail Entitlement Offer.

Except as required by law, and only to the extent so required, none of Cockatoo Coal, or any other person, warrants or guarantees the future performance of Cockatoo Coal or any return on any investment made pursuant to this Prospectus.

29. Top-Up Subscription Agreement

As noted in the Chairman's letter and in the 'Details of the Retail Entitlement Offer and how to apply' section of the Prospectus, the Underwriter has entered into sub-underwriting arrangements in relation to the Entitlement Offer with Liberty Metals & Mining. As noted in the 'Effect on control' section of the 'Purpose and effect of the Entitlement Offer' section of the Prospectus, the Company may be required to make a placement of New Shares (at \$0.002 per New Share) under the Top-Up Subscription Agreement to Liberty Metals & Mining in certain circumstances. New Shares (if any) issued in accordance with the Top-Up Subscription Agreement are issued with disclosure under this Prospectus.

The purpose of the Top-Up Subscription Agreement is to ensure that Liberty Metals & Mining is not allocated a holding under its sub-underwriting commitment which is insufficiently material in the context of its investment profile on completion of the Entitlement Offer. Any such placement would be capped at 15% of the number of Shares on issue after the issue of the New Shares under the Entitlement Offer. Furthermore, and in consideration for Liberty Metals & Mining's entry into Top-Up Subscription Agreement, the Company has agreed to pay Liberty Metals & Mining \$2.5 million.

Under the Top-Up Subscription Agreement Cockatoo Coal has (subject to certain limitations) agreed to indemnify Liberty Metals & Mining against losses suffered or incurred in connection with the Top-Up Subscription Agreement. Cockatoo Coal has also given various representations, warranties and undertakings. For example, one of the undertakings provided by the Company to Liberty Metals & Mining requires the Company, for 2 years from the date of the Top-Up Subscription Agreement (and while Liberty Metals & Mining holds not less than 15% of the Company's voting shares), to obtain Liberty Metals & Mining's prior written consent before the Company is able to enter into any agreement or arrangement with a contract value of more than \$2 million in relation to, among other things, the ownership or external funding of the haul road, railway loop or train load-out facility for the Baralaba mine or the Baralaba Expansion. In addition, the Company has, subject to receipt from ASX of a waiver from ASX Listing Rule 6.18, also undertaken to offer Liberty Metals & Mining such number of Shares (or other securities convertible into Shares) in any future placement (or other non-pro rata issue) of Shares (or other securities convertible into Shares) conducted by the Company that maintains the interest in the Company that Liberty Metals & Mining will have on completion of the Entitlement Offer (and placement under the Top-Up Subscription Agreement, if applicable). Any such offer of Shares (or other securities convertible into Shares) will be on no less favourable terms as is offered to other investors in that future placement or other non-pro rata issue conducted by the Company. Furthermore, and pursuant to deed polls dated on or about 5 February 2015, the Company is required to provide other sub-underwriters with the benefit of the same indemnities, representations, warranties and undertakings that the Company has provided to Liberty Metals & Mining under the Top-Up Subscription Agreement.

The offer and sale of New Shares to Liberty Metals & Mining will be made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

30. Consents to lodgement of this Prospectus

Each Director of the Company has consented, and not withdrawn their consent, to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

Glossary

Term	Meaning
Additional New Shares	Has the meaning given in section 7 of the 'Additional information' section of the Prospectus
Ancillary transactions	The ancillary transactions summarised in the Investor Presentation
ANZ PF Facility	The approximately \$255 million project finance facility which was to be provided by Australia and New Zealand Banking Group Limited ABN 11 005 357 522
Applicant	An Eligible Retail Shareholder who validly applies for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with the Prospectus
Application	An application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with this Prospectus
ASIC	Australian Securities and Investments Commission
ASX or Australian Securities Exchange	ASX Limited ABN 98 008 624 691, or the financial market operated by it, as the context requires
ASX Listing Rules	The official listing rules of ASX
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532
ASX Settlement Operating Rules	The operating rules of ASX Settlement, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ABN 48 001 314 503
ATO	Australian Tax Office
AUD, A\$, \$ or Australian dollar or cent	The lawful currency of the Commonwealth of Australia
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations
Baralaba Expansion	The proposed expansion of the Company's Baralaba North mine to 3.5Mtpa
Board	The board of directors of the Company from time to time
CGT	Capital gains tax
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act
Cockatoo Coal or Company	Cockatoo Coal Limited ABN 13 112 682 158
Cockatoo Coal Group	Company and its subsidiaries
Constitution	The constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CRN	Customer Reference Number
Director or Directors	A member of the board of directors of the Company from time to time
EIS	Environmental impact statement
Eligible Retail Shareholders	Has the meaning given in section 5 of the 'Additional

Term	Meaning
	information' section of the Prospectus
Eligible Institutional Shareholders	Institutional shareholders who (i) if they are in Australia are either a sophisticated investor or a professional investor within the meaning of section 708(8) or 708(11) of the Corporations Act, respectively or (ii) if they are outside of Australia they otherwise satisfy the applicable criteria set out in Appendix D of the Investor Presentation
Entitlement	The number of New Shares that an Eligible Retail Shareholder is entitled to apply for under the Retail Entitlement Offer, as determined by the number of Shares held by that Eligible Retail Shareholder on the Record Date
Entitlement and Acceptance Form	The relevant personalised form accompanying this Prospectus which Eligible Retail Shareholders may use to apply for New Shares (and, if applicable, Additional New Shares)
Entitlement Offer	The accelerated renounceable entitlement offer of New Shares in the Company in the ratio of 13.7 New Shares for each Share held on the Record Date.
Expiry Date	4 March 2016, being the date which is 13 months after the Lodgement Date, after which date no New Shares (or Additional New Shares, if applicable) will be issued under this Prospectus
Financial Information	Has the meaning given in section 2 of the 'Purpose and effect of the Entitlement Offer' section of the Prospectus
GAAP	Generally Accepted Accounting Principles
GST	Goods and services or similar tax imposed in Australia
Harum	Harum Energy Australia Limited
HIN	Holder Identification Number
IFRS	International Financial Reporting Standards
Ineligible Retail Shareholders	Retail Shareholders who do not satisfy the criteria to be an Eligible Retail Shareholder
Institutional Bookbuild	The bookbuild process undertaken by the Underwriter in respect of the Institutional Entitlement Offer
Institutional Entitlement Offer	The institutional component of the Entitlement Offer
Investor Presentation	The investor presentation in relation to the Entitlement Offer given to ASX on 5 February 2015 and which is reproduced in full in this Prospectus
Liberty Metals & Mining	Liberty Metals & Mining Holdings, LLC
Lodgement Date	13 February 2015, being the date this Prospectus is lodged with ASIC
MLA	Mining Lease Application
Mtpa	Million tonnes per annum
New Share or New Shares	Fully paid ordinary shares in the Company issued under either component of the Entitlement Offer which will rank equally with existing Shares from the date of issue
Noble Group	Noble Group Limited
Offer Price	The price payable for a New Share (or Additional New Share, if applicable) under the Retail Entitlement Offer, being \$0.002 per

Term	Meaning
	New Share
PCI	Pulverised coal injected
Pro Forma Balance Sheet	Has the meaning given in section 2 of the 'Purpose and effect of the Entitlement Offer' section of the Prospectus
Prospectus	This prospectus dated 13 February 2015 prepared by the Company in accordance with the special content rules under section 713 of the Corporations Act in respect of the Retail Entitlement Offer
Record Date	The record date for the Entitlement Offer, being 7.00pm (Sydney time) on Tuesday, 10 February 2015
Renouncing Shareholders	Has the meaning given in Chairman's letter
Retail Bookbuild	All Eligible Retail Shareholders who do not take up some or all of their Entitlement will have those renounced Entitlements sold through a bookbuild process to be undertaken by the Underwriter
Retail Entitlement Offer	The retail component of the Entitlement Offer
Retail Premium	Any proceeds in excess of the Offer Price per New Share that may be achieved under the Retail Bookbuild
Share	A fully paid ordinary share in the Company
Shareholder	The registered holder of a Share
Shareholding	The number and value of Share(s) held in the Company
Share Registry	Computershare Investor Services Pty Limited ABN 48 087 279 277
SRN	Security Reference Number
Standby Debt Facility	Has the meaning given in section 1 of the 'Details of the Retail Entitlement Offer and how to apply' section of the Prospectus
TERP	Theoretical ex-rights price
TOFA	Taxation of Financial Arrangements
Underwriter	BBY Limited ABN 80 006 707 777 (AFSL 238095)
Underwriting Agreement	The underwriting agreement dated 4 February 2015 between the Company and the Underwriter
United States or U.S.	The United States of America
U.S. Person	Has the meaning given in Regulation S under the U.S. Securities Act
U.S. Securities Act	United States Securities Act of 1933, as amended

Corporate directory

Registered office

Cockatoo Coal Limited
Level 4, 10 Eagle Street
Brisbane, Queensland 4000

Website

www.cockatoocoal.com.au

Stock exchange listing

Cockatoo Coal's Shares are listed on ASX (code 'COK')

Underwriter

BBY Limited
Level 17, 60 Margaret Street
Sydney, New South Wales 2000

Australian legal adviser

Minter Ellison
Aurora Place
88 Phillip Street
Sydney, New South Wales 2000

Share Registry

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001

Australia 1300 552 270
International +61 3 9415 4000

Open 8.30am to 5.30pm (Sydney time) Monday to Friday (during the Retail Entitlement Offer period)