



GUILDFORD
COAL

HUGHENDEN WHITE MOUNTAIN PROJECT ACQUISITION

12 April 2011

ASX: GUF

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KEY PROJECTS

HUGHENDEN (80%)
Location:
Galilee Basin, QLD

SIERRA (100%)
Location:
Bowen Basin, QLD

KOLAN (100%)
Location:
Maryborough Basin, QLD

SOUTH GOBI (20% with option to
increase to 70%)
Location:
South Gobi Basin, Mongolia

ACQUISITION OF EPC1260 ENHANCES THE HUGHENDEN - WHITE MOUNTAIN PROJECT

- Guildford Coal Limited (Guildford) signs heads of agreement to acquire 51% stake from Tiaro Coal Limited (Tiaro) in EPC1260 which is located on the north eastern edge of the Galilee Basin where the Permian coal seams are known to outcrop.
- The opportunity was introduced to Guildford by TheChairmen1 Pty Ltd (C1) under the terms of the management agreement between Guildford and C1.
- EPC1260 adjoins the Guildford 100% owned EPC1250 which covers the old White Mountain Coal Mine where the Permian Betts Creek coal seams were mined.
- The acquisition of EPC1260 consists of a \$3.3m up-front payment and a \$5m commitment to the exploration and development of EPC1260 based on the ongoing achievement on resource and project feasibility milestones.
- An Independent Geological Consultant (Palaris Mining Consultants) has developed an Exploration Target* of 0 to 745 million tonnes of Galilee Basin thermal coal within EPC1260.

WHITE MOUNTAIN PROJECT – EXISTING EPC1250 (100% Guildford)

- An Independent Geological Consultant (Xstract Mining Consultants) has also developed an Exploration Target* of 40 to 70 million tonnes of Galilee Basin thermal coal within EPC1250 which covers the Old White Mountain Coal Mine.
- The Exploration Target* for the expanded Hughenden - White Mountain Project which consists of the contiguous EPC1250 and EPC1260 tenements is 40 to 815 million tonnes.

WHITE MOUNTAIN PROJECT POTENTIAL

- The White Mountain Project is a potential early stage development opportunity in the Hughenden Project and is well located to utilise existing rail and port capacity.
- The south eastern boundary of EPC1260 is only approximately 15 kilometres from the potential rail siding at Pentland.

** References to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is important to note that in relation to reported Exploration Targets any references to quality and quantity are conceptual in nature. Exploration carried out to date is insufficient to be able to estimate and report Coal Resources in accordance with the guidelines of the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Coal Resource.*



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HUGHENDEN PROJECT

HUGHENDEN PROJECT OVERVIEW

- Located in the northern end of the coal bearing Galilee Basin in Queensland, Australia
- Covers approximately 16,500 square kilometres of exploration permit applications for coal of which an estimated 11,500 square kilometres have been granted
- Targeting substantial export thermal coal tonnages with open cut and underground mining potential
- Located in close proximity to infrastructure with the Mt Isa to Townsville rail line running across the project area
- Relatively uncomplicated geology of the Galilee Basin allows less intensive drilling to evaluate coal deposits
- Guildford Coal's titles under management are shown in Figure 1, 2 and 3:

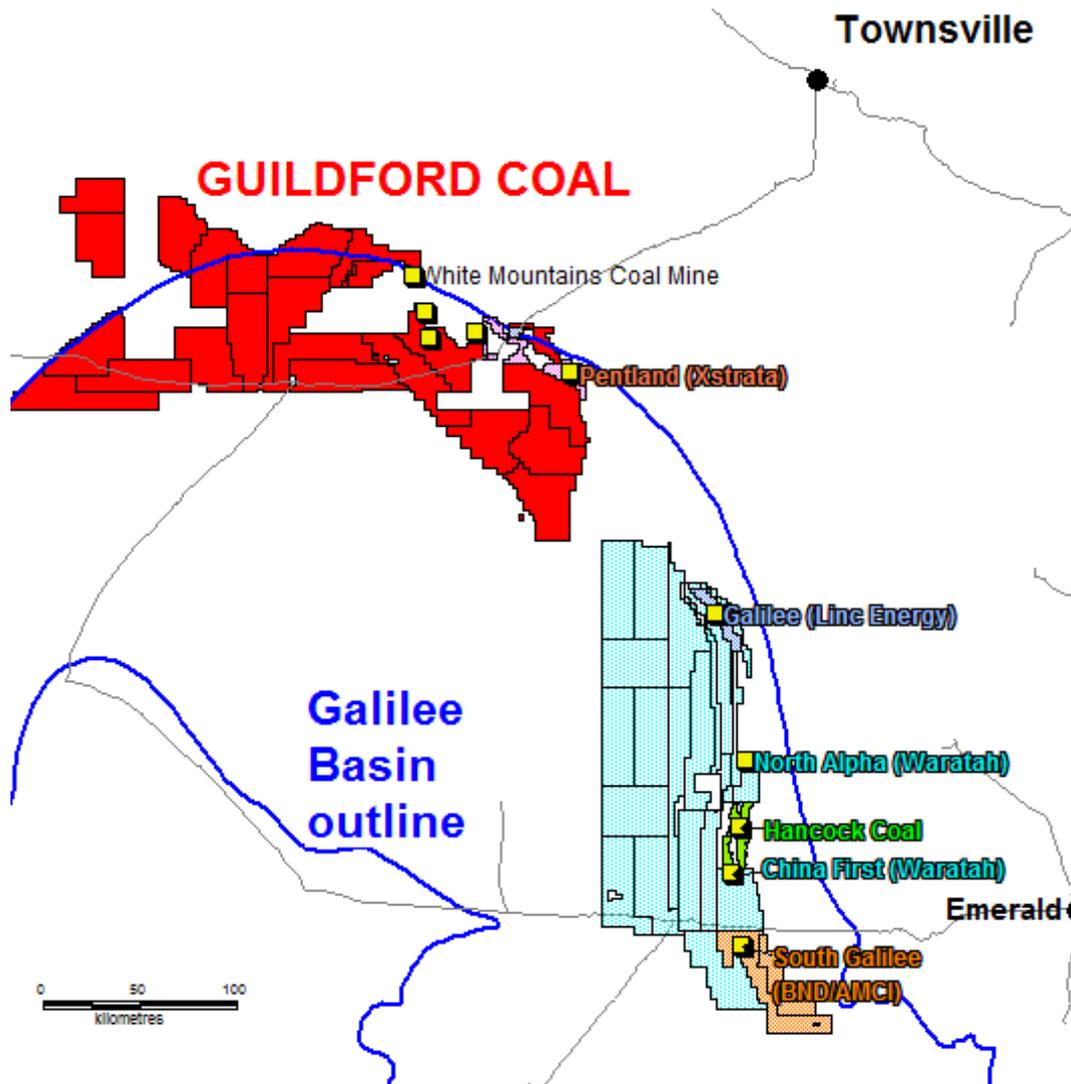


Figure 1: Hughenden Project in relation to other Major Galilee Basin Coal Projects



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HUGHENDEN – WHITE MOUNTAIN PROJECT OVERVIEW

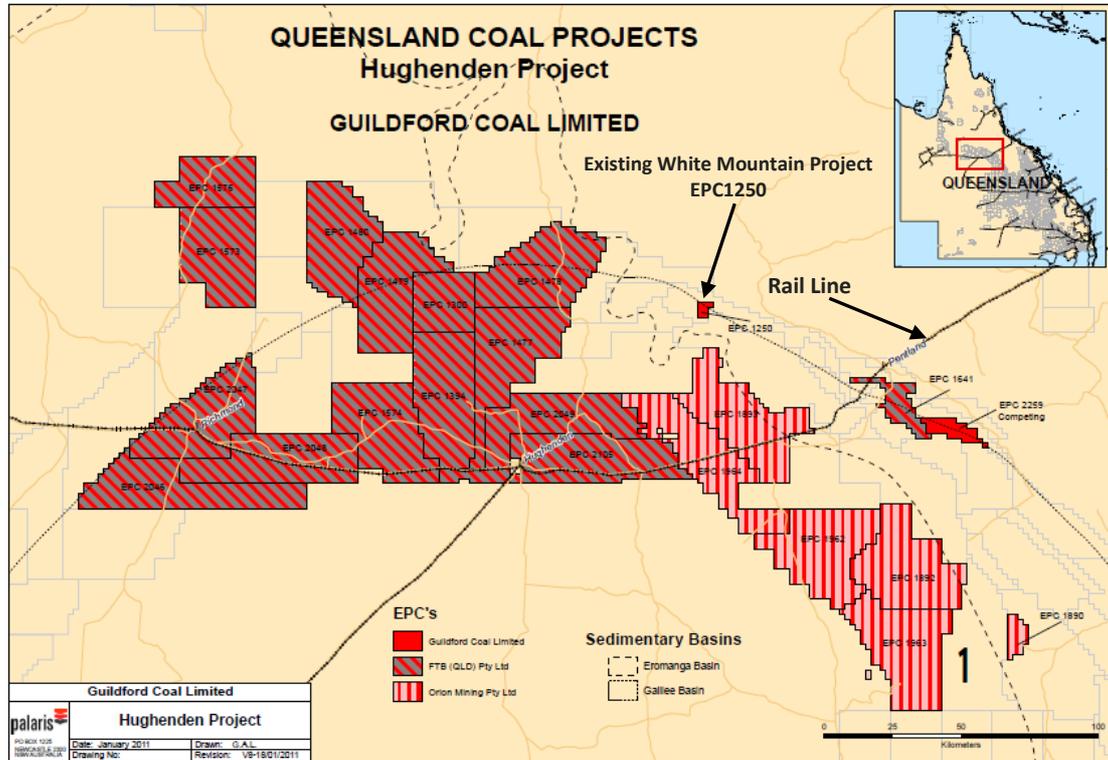


Figure 2: Hughenden Tenement Map Highlighting Existing White Mountain Project

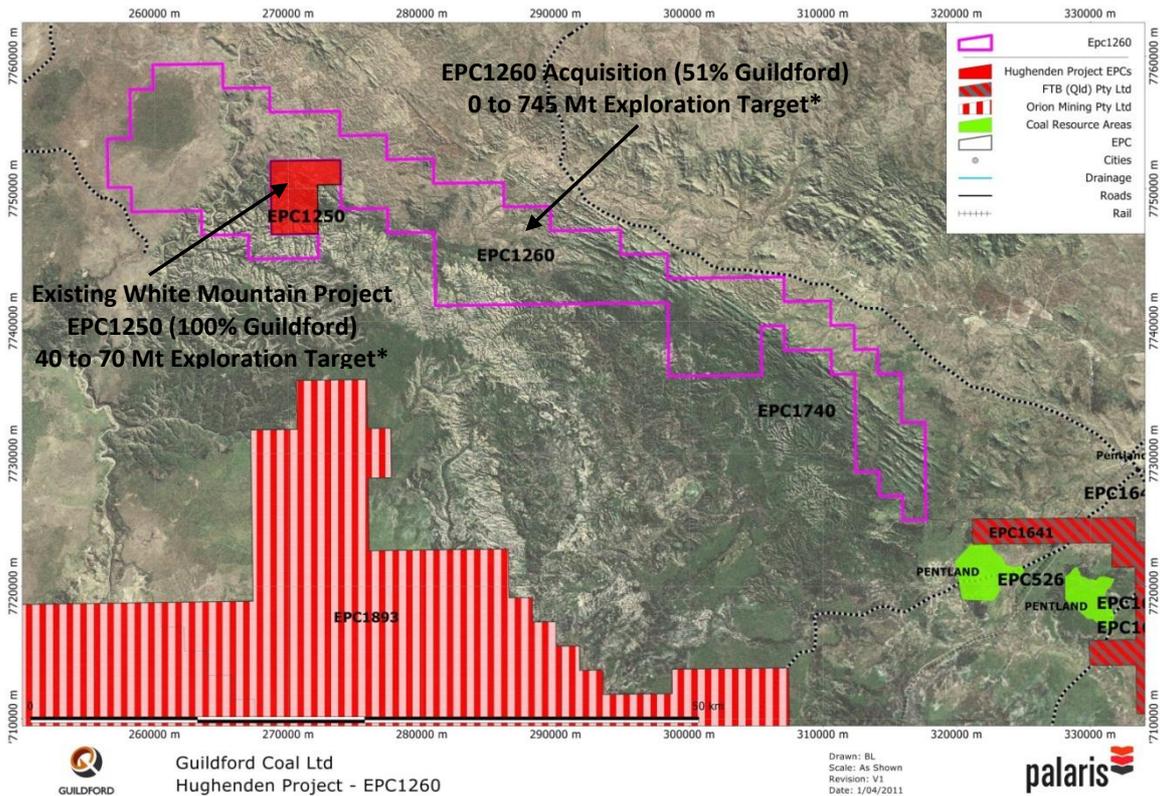


Figure 3: Hughenden – White Mountain Project Tenement Map Showing EPC1250 and EPC1260



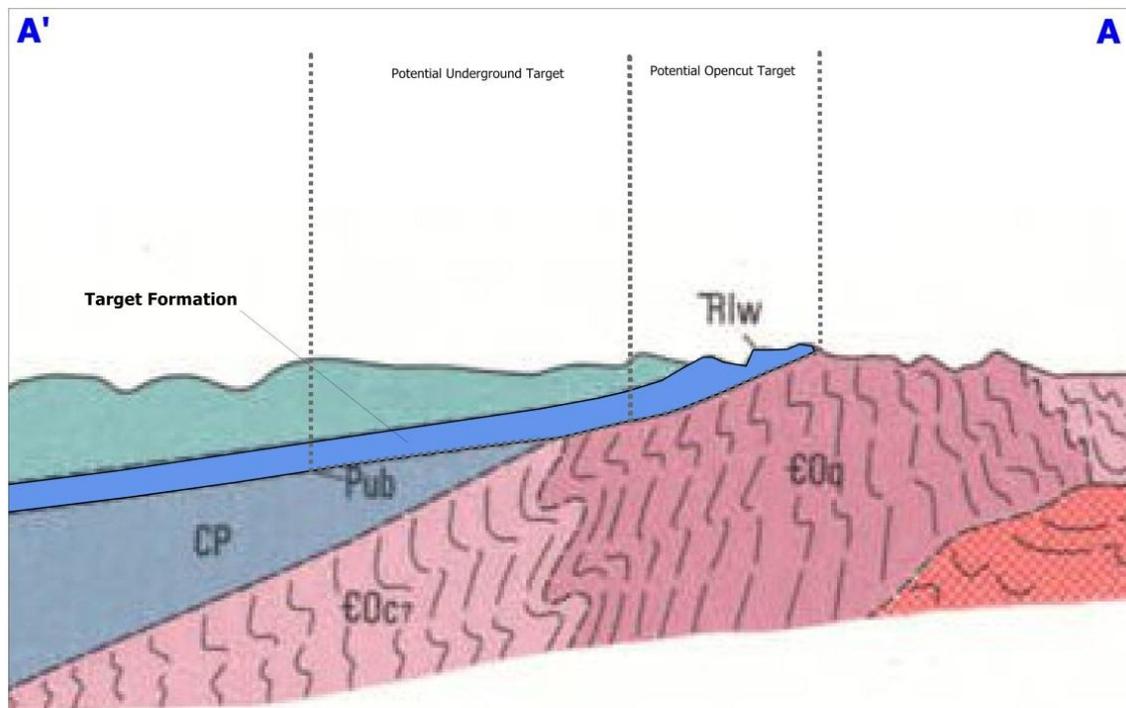
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EPC1260 ACQUISITION INCREASES WHITE MOUNTAIN PROJECT

- Guildford has signed a heads of agreement to acquire a 51% stake from Tiaro Coal Limited (Tiaro) of EPC1260 which is located on the north eastern edge of the Galilee Basin where the Permian coal seams are known to outcrop
- The opportunity was introduced to Guildford by TheChairmen1 Pty Ltd (C1) under the terms of the management agreement between Guildford and C1
- EPC1260 adjoins the Guildford 100% owned EPC1250 which covers the old White Mountain Coal Mine which historically mined the Permian Betts Creek coal seams
- The acquisition of EPC1260 consists of a \$3.3m up-front payment and a \$5m commitment to the exploration and development of EPC1260 based on the ongoing achievement of resource and project feasibility milestones
- An independent Geological Consultant has estimated an Exploration Target* of **0 to 745 million tonnes** of Galilee Basin thermal coal within EPC1260

EPC1260 ACQUISITION GEOLOGY

- The geology of the northern Galilee Basin can be seen in the regional cross section (Figure 4 below). The location of the cross section is shown in Figure 5. It shows the Permian aged Betts Creek Beds (blue) dipping to the south-west. Figure 5 shows the outcrop of the Betts Creek Beds (blue) striking northwest to southeast in a narrow zone.



Guildford Coal Ltd
Hughenden Project - Epc1260 Stylised Cross Section

Drawn: BL
Scale: As Shown
Revision: V1
Date: 4/04/2011



Figure 4: Regional Cross Section



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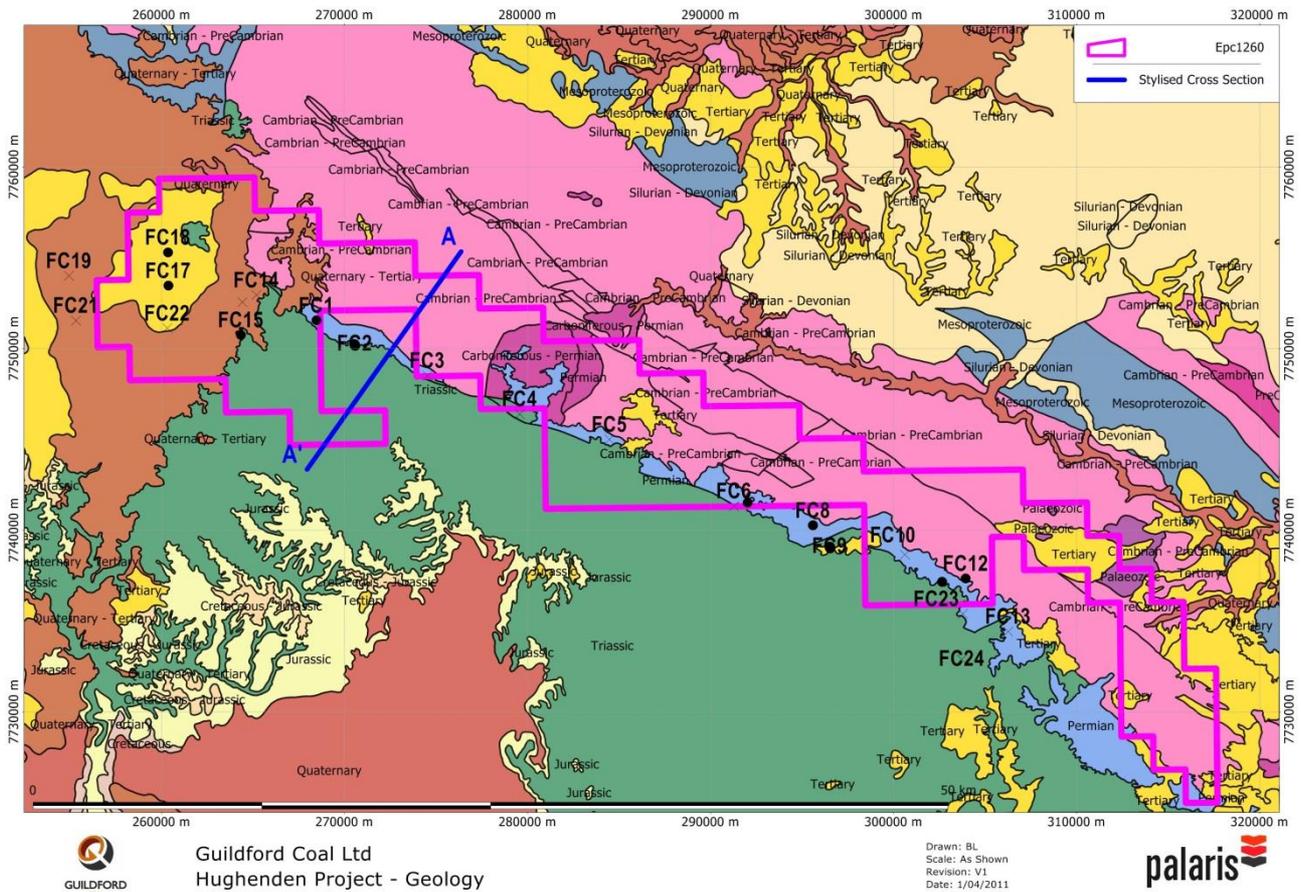


Figure 5: Regional Surface Geology

EPC1260 ACQUISITION - COAL QUALITY

- Coal quality testing has been performed on selected boreholes and only on selected plies based on their physical qualities. From the coal quality results reviewed, the coal in both the Western and Eastern Areas is low sulphur, moderate energy with moderate to high ash content.

Area	Ash % (ad)	Moisture % (ad)	Relative Density	Total Sulphur % (ad)	Specific Energy (MJ/kg ad)	
Western Area (A1,A2,A3)	13.6 – 28.8	7.7 – 10.0	1.48 – 1.66	0.24 – 0.90	18.60 – 25.01	Summary of ply sample results, does not represent a possible working section, B/H FC15, FC17, FC18
Eastern Area (B1,C1,C2)	12.8 – 23.3	10.4 – 10.6	1.53 – 1.59	0.34 – 0.55	19.98 – 24.32	Summary of ply sample results, B/H FC8a, FC9a – boreholes outside EPC boundary

EPC1260 EXPLORATION TARGET

- Based on the review of historical borehole data available, Polaris has determined that there is insufficient data in order to quantify resources according to the JORC Code. The boreholes are dated and there have been no seam correlations attempted between boreholes.
- Polaris has estimated exploration target ranges for the potential resources domains based on coal intersections in historical boreholes. The estimates were calculated by determining the approximate surface area for each domain, assuming a consistent net coal thickness as observed in boreholes and using a default density of 1.5g/cc.



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- The exploration target ranges for EPC1260 are shown in the table below. Palaris has estimated a potential Exploration Target* range of between **0 and 745 Mt** for the tenement based on historical boreholes. However the current borehole distribution is sparse and generally indicates coal seams with a high degree of lateral variability. An exploratory drilling campaign will be required to increase the low level of geological confidence in the area.

Domain	Conceptual Exploration Target Range (Mt)	Method of Estimation
A1	0 – 640	85km ² area, 5m net coal thickness, 1.5 RD
A2	0 – 30	5km ² area, 4m net coal thickness, 1.5 RD
A3	N/A	No borehole data, unproven ground, speculative only
B1	0 – 55	9km ² area, 4m net coal thickness, 1.5 RD
C1	0 – 20	7km ² area, 2m net coal thickness, 1.5 RD
C2	N/A	No borehole data, unproven ground, speculative only
D1	N/A	No borehole data, unproven ground, speculative only
D2	N/A	No borehole data, unproven ground, speculative only
D3	N/A	No borehole data, unproven ground, speculative only
D4	N/A	No borehole data, unproven ground, speculative only

EPC1250 (100% GUILDFORD) EXPLORATION TARGET

- EPC1250 is 100%-owned by Guildford and contains the old White Mountains Coal Mine on the north- eastern edge of the Galilee Basin with seams of up to 5 metres of net coal from the Upper Permian Betts Creek Beds at or near the surface
- An Independent Geological Consultant has identified an Exploration Target of **40 to 70 million tonnes** of Galilee Basin thermal coal within the White Mountain Project
- The Exploration Target covers a target area of 1,400 hectares and is based on historical drillhole data located on, and adjacent to EPC1250. The target comprises the thickest and most continuous coal seam with an average thickness of 2.5 metres and average RD of 1.66. Allowing for variations in seam thickness and coal density, this represents an Exploration Target in the range 40Mt to 70Mt. Additional thinner coal seams are also present.
- EPC1250 consists of 7 sub blocks or an estimated 21 sq. km. in area which represents just under 0.13% of the total Hughenden Project tenement portfolio by area which is currently estimated at 16,500 sq. km.
- The existence of this near surface Exploration Target contained in EPC1250 and EPC1260 not only marks the north eastern edge of the Galilee Basin but also highlights the potential for large scale open cut mining along the Galilee Basin edges once lateral extent and continuity can be confirmed along the almost 200km of projected basin edge held under Guildford tenements.

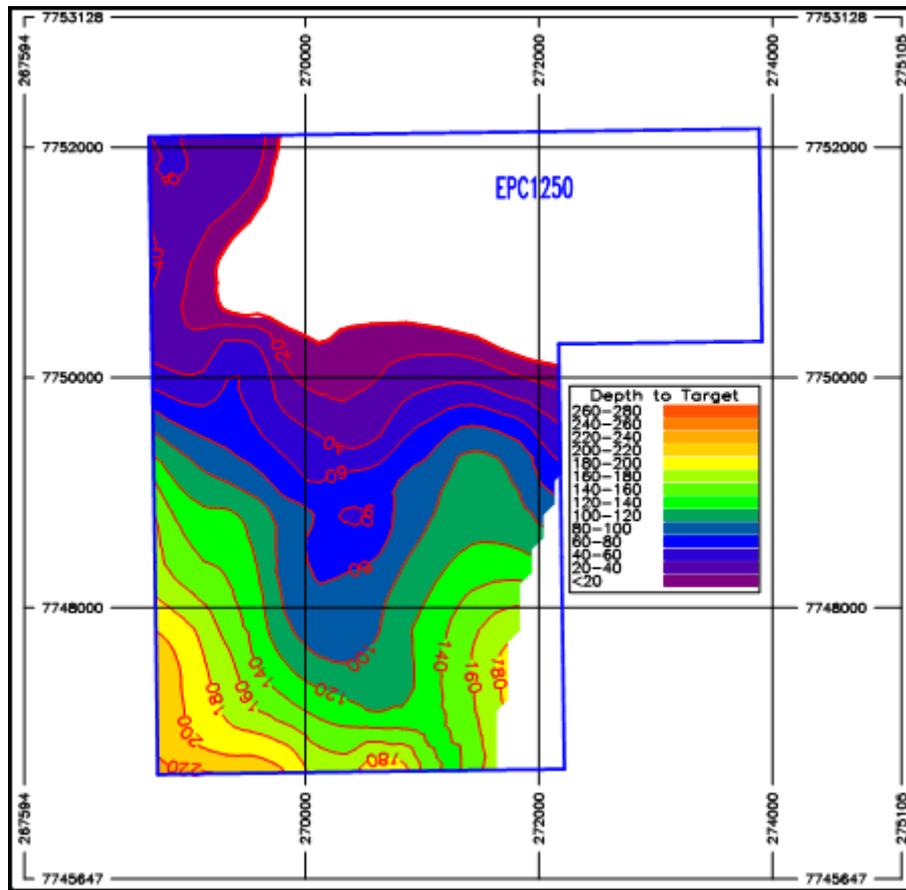


Figure 6: EPC1250 Indicative Depth (m) to Target Contours



Figure 7: Galilee Basin Betts Creek Coal Seam outcrops on EPC1250



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WHITE MOUNTAIN PROJECT CONCEPT DESIGN

- The combination of the contiguous EPC1250 and EPC1260 will form the White Mountain Project which is part of the greater Hughenden Project
- The White Mountain Project is one of the potential early stage developments on the Hughenden Project which could utilise existing rail and port capacity with a target of first coal in late 2013
- A preliminary conceptual design has been developed for the White Mountain Project for a 3-4 Mtpa low waste to ore stripping ratio open cut coal mine. The mine would be a multi seam conventional excavator and truck design. Coal would be hauled by road to a rail siding at Pentland which is only located approximately 15km south east of the southern boundary of EPC1260.
- This Concept is considered early stage and subject to further exploration, detailed feasibility studies and obtaining necessary mining, environmental and cultural & heritage approvals

ABOUT GUILDFORD COAL

Guildford Coal has established a portfolio of coal exploration tenement areas in Queensland, Australia and more recently in Mongolia. Guildford Coal's Queensland tenements cover an estimated area of 20,000 square kilometres and are defined within project areas as follows:

- Hughenden Project (Galilee / Eromanga Basins):
 - FTB (Qld) Pty Ltd (Guildford 80%)
 - Orion Mining Pty Ltd (Guildford 80%)
 - White Mountain Project – EPC1250 (Guildford 100%)
- Kolan Project (Maryborough Basin);
- Sierra Project (Bowen Basin);
- Comet Project (Bowen Basin);
- Sunrise Project (Surat/Bowen Basin);
- Monto Project (Nagoorin Graben).

Guildford Coal has an equity share in 6 tenements contained in two projects in Mongolia through its 20% shareholding in Terra Energy LLC with the option to increase to a 70% shareholding. The coal projects are located in the South Gobi and Middle Gobi coal bearing basins which contain thermal and coking coals.

Guildford Coal's key objective is to create shareholder value through the identification, securing and exploration and potential development of coal deposits. In order to achieve this objective, Guildford Coal intends to:

- Drill and assess existing exploration permits with the aim of establishing coal resources;
- Complement and diversify Guildford Coal's existing portfolio through application for and acquisition of additional coal assets;
- Undertake project development for high priority targets where economic coal deposits are proven; and
- Ultimately produce and sell a variety of coal products into export markets if successful in exploration objectives.

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Competent Persons Statement

The information in this report is based on information compiled by Mr Cameron Switzer, who is a Member of the Australasian Institute of Mining and Metallurgy (112798) and the AIG (3384) and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Switzer is the Exploration Manager for Guildford Coal Limited and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Switzer is an exploration geologist with in excess of 23 years experience spanning numerous commodities including coal, copper and gold.

The Coal Exploration Target for EPC1250 documented in this report is stated in accordance with the guidelines set out in the JORC Code, 2004. It is based on information compiled and reviewed by Mr Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than twenty years experience in the evaluation of coal deposits and the estimation of coal resources. Mr de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Guildford Coal or any companies associated with Guildford Coal. Fees for work undertaken are on a time and materials basis. Mr de Klerk consents to the inclusion of the Exploration Target (EPC1250) based on his information in the form and context in which it appears.

The information in this report for EPC1260 is based on information compiled by Dr Ian Stone, who is a Member of the Australasian Institute of Mining and Metallurgy (102087) and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Stone is Manager, Geology of Palaris Mining Pty Ltd and consents to the inclusion of the matters based on his information in the form and context in which it appears. Dr. Stone has over 30 years experience in exploration and mining of coal deposits.