



WOLLONGONG COAL LIMITED
ABN 28 111 244 896

NOTICE OF EXTRAORDINARY GENERAL MEETING
including Explanatory Notes

TIME: 2:00 PM AEST

DATE: Thursday 5 May 2016

PLACE: The Gregory Room
Quality Suites Pioneer Sands
19 Carters Lane
TOWRADGI NSW 2518

This Notice of Meeting is important and should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (2) 4223 6830.

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NOTE: Capitalised terms used in this document are defined in the Glossary (Section 4).

Key Dates

Due date for lodgement of proxy forms	2:00 PM (AEST) Tuesday 3 May 2016
Record Date	5:00pm (AEST) Tuesday 3 May 2016
General Meeting	2:00 PM (AEST) Thursday 5 May 2016

NOTE: The above timetable is indicative only. The Company may vary any of the above dates subject to the Corporations Act, the ASX Listing Rules and any other applicable law.

Important Information

This Notice of Meeting is dated 24 March 2016.

A copy of this Notice of Meeting has been lodged with ASIC and ASX. Neither ASIC nor ASX takes any responsibility for the contents of this Notice of Meeting.

This Notice of Meeting does not take into account the individual investment objectives, financial situation or particular needs of any person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to approve the resolutions set out in the Notice of Meeting.

Financial amounts in this Notice of Meeting are expressed in Australian dollars unless otherwise stated.

This Notice of Meeting is governed by the law in force in New South Wales.

Corporate Directory

Directors

Mr Ashish Kumar (Chairman, Non Executive Director)
Dr Andrew Edwin Firek (Independent Director)
Mr Maurice Anghie (Independent Director)
Mr Azad Bhura (Non Executive Director)

Company Secretary

Mr Sanjay Sharma

Registered Office

Lot 31, 7 Princes Highway
Corrimal NSW 2518
Tel: (02) 4223 6830

Website

<http://www.wollongongcoal.com.au>

Share Register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Tel: (02) 9290 9600

Auditors

Ernst & Young
Level 33, Ernst & Young Centre
World Square
680 George Street
Sydney NSW 2000

Solicitors

Thomson Geer
Level 25
1 O'Connell Street
Sydney NSW 2000

1 Chairman's Letter

24 March 2016

Dear Wollongong Coal Limited Shareholder,

Notice of General Meeting and associated Explanatory Notes

On behalf of the board of directors of Wollongong Coal Limited, I am pleased to invite you to an extraordinary general meeting of the Company to be held on **Thursday 5 May 2016** at 2:00 PM (AEST) at The Gregory Room, Quality Suites Pioneer Sands, 19 Carters Lane, TOWRADGI NSW 2518 (**General Meeting**), and to present this Notice of Meeting to you. This Notice of Meeting and the accompanying Explanatory Notes should be read in their entirety.

Background

Bellpac Pty Ltd (Receivers & Managers Appointed) (In Liquidation) (**Bellpac**) has been the holder of a series of 8% convertible bonds issued by the Company in 2008 (**Convertible Bonds**). Further information regarding the background to the issue of the Convertible Bonds to Bellpac is set out in the Explanatory Notes forming part of the Notice of Meeting.

The terms of the Convertible Bonds are summarised in Annexure A. Those terms allow the Convertible Bonds to be converted at the option of Bellpac into ordinary shares in the capital of the Company.

On 19 January 2016, the Company received Notices of Conversion duly executed by Bellpac (**Conversion Notices**) requiring all of the Convertible Notes held by Bellpac, listed below, to be converted into Ordinary Shares:

- (a) 8% Convertible Bonds 2008 – I Series – 40 bonds aggregating to \$3,652,474;
- (b) 8% Convertible Bonds 2008 – II Series – 40 bonds aggregating to \$3,652,474;
- (c) 8% Convertible Bonds 2008 – III Series – 40 bonds aggregating to \$3,652,474; and
- (d) 8% Convertible Bonds 2008 – IV Series – 40 bonds aggregating to \$3,652,474.

In accordance with the terms of the Convertible Bonds, 2,472,063,680 Shares in total were required to be issued in order to satisfy the Conversion Notices. As at the date of the Conversion Notices, this number of Shares equated to more than 35% of the issued Shares of the Company.

On 5 February 2016, the Company issued an initial tranche of 1,019,726,268 Shares to Bellpac, equating to 14.79% of the Ordinary Shares of the Company, in order to avoid breaching ASX Listing Rule 7.1 which prohibits the issue of more than 15% of the issued share capital of a listed company in any 12-month period without the approval of its shareholders.

A further 1,452,337,412 Shares are required to be issued to Bellpac to satisfy the Conversion Notices in full (the **Further Shares**). The issue of the Further Shares would result in Bellpac holding approximately 26% of the total issued Shares of the Company. Accordingly, the approval of the Shareholders of the Company to the issue of the Further Shares is sought pursuant to item 7 of section 611 of the Corporations Act, which permits a person to acquire a relevant interest in 20% or more of the voting shares of a listed company if such acquisition is approved by the company's members.

The General Meeting has been convened by the Board to consider the first resolution set out in this Notice of Meeting for the reasons stated above, and the second resolution to refresh the Company's capacity to issue 15% of its capital without shareholder approval set, (having utilised that capacity in the issue to Bellpac of the first tranche of 1,019,726,268 Shares referred to above).

Support of Company's majority shareholder

The Board is pleased to confirm that it has received written confirmation from the Company's major shareholder, Jindal Steel & Power (Mauritius) Limited, which currently holds approximately 71% of the Shares, that it will vote in favour of the resolutions set out in this Notice of Meeting approving the issue of the Further Shares and refreshing the Company's capacity to issue 15% of its capital without further shareholder approval.

Recommendation of the Directors

As explained more fully in the Explanatory Notes, your Directors have carefully considered the options available to the Company and having done so **recommend you vote in favour** of both resolutions.

The Directors are unanimously of the view that the benefits and advantages of issuing the Further Shares outweigh any disadvantages. Their reasoning in this regard is set out fully in the Notice of Meeting and Explanatory Notes. Most importantly the support of the majority shareholder to this issue of Shares to Bellpac is welcomed by the Board.

Further comprehensive information about the Resolutions is set out in the Notice of Meeting and Explanatory Notes.

On behalf of the Directors, I encourage you to read the full contents of the accompanying documents carefully and to participate in the voting process.

If you have any questions about this Notice of Meeting, please contact Boardroom Pty Ltd on 1300 737 760 (in Australia) or +61 2 9290 9600 (international), or consult your licensed financial advisor, stockbroker or other professional adviser.

Yours sincerely,

Ashish Kumar

Chairman

2 Notice of Meeting

NOTICE IS HEREBY GIVEN that a General Meeting of the Shareholders of Wollongong Coal Limited (**Company** or **WLC**) will be held at The Gregory Room, Quality Suites Pioneer Sands, 19 Carters Lane, TOWRADGI NSW 2518 on Thursday 5 May 2016 at 2:00 PM (AEST).

BUSINESS**1. Approval of proposed conversion of Convertible Bonds to Ordinary Shares in the Company**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 611 (item 7) of the Corporations Act 2001 (Cth) and for all other purposes, shareholders approve: (i) the conversion of the Convertible Bonds held by Bellpac Pty Limited (Receivers and Managers Appointed) (In Liquidation) into 1,452,337,412 fully paid ordinary shares in the Company; and (ii) the acquisition of a relevant interest in those shares by Bellpac Pty Limited (Receivers and Managers Appointed) (In Liquidation), on the terms and conditions described in the explanatory notes accompanying the notice convening this meeting."

2. Approval of prior issue of ordinary Shares by the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders approve the prior issue of 1,019,726,268 ordinary Shares to Bellpac Pty Limited (Receivers and Managers Appointed) (In Liquidation) in part satisfaction of the Conversion Notices duly executed and served on the Company by Bellpac on 19 January 2016."

By Order of the Board

Sanjay Sharma
Company Secretary
Date: 24 March 2016

2.1 Voting Exclusions

The Company will disregard any votes cast on each of Resolution 1 and Resolution 2 by:

- (a) Bellpac Pty Limited (Receivers and Managers Appointed) (In Liquidation); and
- (b) any associate of Bellpac Pty Limited (Receivers and Managers Appointed) (In Liquidation).

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2.2 Voting and Proxies

The Company has determined in accordance with the Corporations Act that for the purpose of voting at the General Meeting or adjourned meeting, Shares will be taken to be held by those persons recorded in the Company's Register of Members as at 5.00 p.m. (AEST) on 3 May 2016.

Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the member. If a member is entitled to cast 2 or more votes at the General Meeting, that member may appoint 2 proxies. Where 2 proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights. If the member does not specify the proportion or number of the member's voting rights that each proxy is to represent, each proxy will be entitled to exercise half the member's votes. A proxy need not be a member of the Company.

A form of proxy is enclosed. In order to be valid the properly completed form of proxy must be lodged at the office of the Company's Share Registrar, Boardroom Pty Limited at Level 12, 225 George Street, Sydney NSW 2000, by facsimile on 02 9290 9655 (within Australia) or +61 2 9290 9655 (outside Australia) or online by visiting www.votingonline.com.au/wlcegm2016 before **2:00pm (AEST) on Tuesday 3 May 2016.**

2.3 Enquiries

For further information, please contact Mr Sanjay Sharma at the Company on +61 2 4223 6830.

3 Explanatory Notes

These explanatory notes have been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at The Gregory Room, Quality Suites Pioneer Sands, 19 Carters Lane, TOWRADGI NSW 2518 on Thursday 5 May 2016 at 2:00 PM (AEST).

Resolution 1

3.1 Background

Bellpac is the holder of Convertible Bonds. The terms of the Convertible Bonds are summarised in Annexure A. Those terms allow the Convertible Bonds to be converted at the option of Bellpac into ordinary shares in the capital of the Company.

On 19 January 2016, the Company received Notices of Conversion duly executed by Bellpac (**Conversion Notices**) requiring all of the Convertible Bonds held by Bellpac, listed below, to be converted into Ordinary Shares:

- (a) 8% Convertible Bonds 2008 – I Series – 40 bonds aggregating to \$3,652,474;
- (b) 8% Convertible Bonds 2008 – II Series – 40 bonds aggregating to \$3,652,474;
- (c) 8% Convertible Bonds 2008 – III Series – 40 bonds aggregating to \$3,652,474; and
- (d) 8% Convertible Bonds 2008 – IV Series – 40 bonds aggregating to \$3,652,474.

The total aggregate value of the Convertible Bonds was \$14,609,896 as at the conversion date of 5 February 2016.

In accordance with the terms of the Convertible Bonds, a conversion price per ordinary share equal to the volume weighted average sale price of the Company's Shares during the month of December 2015 (being the month immediately preceding the conversion date), (the **Conversion Price**), is to apply on conversion of the Convertible Bonds. The Conversion Price is accordingly \$0.00591, and on that basis 2,472,063,680 Ordinary Shares in total were required to be issued in order to satisfy the Conversion Notices. As at the date of the Conversion Notices, this number of Ordinary Shares equated and currently equates to approximately 35% of the issued Ordinary Shares of the Company.

Following receipt of the Conversion Notices, on 5 February 2016, the Company issued an initial tranche of 1,019,726,268 Ordinary Shares to Bellpac (the **Initial Shares**), equating to 14.79% of the Ordinary Shares of the Company, in order to avoid breaching ASX Listing Rule 7.1 which allows the issue of up to 15% of the issued share capital of a listed company in any 12-month period without the approval of its shareholders.

3.2 Proposed Issue of Further Shares

It is proposed that an additional 1,452,337,412 Ordinary Shares be issued to Bellpac so as to convert the remaining Convertible Bonds held by Bellpac and satisfy the Conversion Notices in full (the **Further Shares**).

The Proposed Share Issue would result in Bellpac acquiring a relevant interest in more than 26% of the total issued Shares, which is prohibited by section 606 of the Corporations Act unless the acquisition is permitted under one of the exceptions set out in section 611 of the Corporations Act.

Item 7 of section 611 of the Corporations Act allows a company's members to approve an acquisition of relevant interests in voting shares that would otherwise contravene the prohibitions in section 606 of the Corporations Act.

Accordingly, approval of the Proposed Share Issue by the Shareholders of the Company is being sought.

The Proposed Share Issue will occur immediately following the General Meeting, if the Resolution is approved by Shareholders.

3.3 Identity of Bellpac and its associates – Background summary

The information in this section 3.3 has been made public by way of previous announcements by the Company in accordance with its disclosure obligations under the ASX Listing Rules. This summary is provided for the purpose of reminding shareholders of the context of the issue of the Convertible Bonds the subject of the Resolutions to be put to shareholders pursuant to this Notice of Meeting.

The Company acquired Russell Vale Colliery from Bellpac, (which at the time was not in external administration), in December 2004 and entered into various deeds and agreements, including a Remediation License Deed dated 3 December 2004 (**Remediation Deed**) and a Royalty Deed dated 3 December 2004 (**Royalty Deed**).

Under the Remediation Deed, the Company was obligated to Bellpac to undertake remediation of the land associated with the Russell Vale Colliery and to provide a bank guarantee for \$5 million as security for that remediation work (together **the Remediation Obligations**).

Under the Royalty Deed, the Company was obliged to pay an annual royalty to Bellpac based on produced tonnes of coal greater than 500,000 tonnes, at a rate of \$0.50 per tonne, and greater than 1,000,000 tonnes at a rate of \$1.00 per tonne (the Royalty Obligation).

On 23 July 2008, Bellpac and the Company (then called Gujarat NRE Coking Coal Ltd) entered into a settlement deed pursuant to which, inter alia, Bellpac acknowledged that both the Company's obligations and Bellpac's rights under the Remediation Deed had been terminated and Bellpac had surrendered its rights to receive any payment of royalty under the Royalty Deed. This was agreed to in consideration for a \$6 million payment in cash and the issue to Bellpac of 200 Convertible Bonds, aggregating to a deemed value of \$10 million in favour of Bellpac on terms and conditions detailed in Annexure A.

On 5 August 2008, WCL issued off the relevant bonds to Bellpac.

On 30 July 2009, Anthony Warner and Steven Kugel were appointed as voluntary administrators of Bellpac and subsequently on 3 September 2009 as liquidators under a creditors' voluntary winding up of that Company.

3.4 Reasons for the Proposed Issue of Further Shares now

The proposed reason for the issue of the Further Shares is to comply with the Conversion Notices received from Bellpac.

The terms of the Convertible Bonds provide that if the Company is unable to issue fully paid ordinary shares upon application for conversion of any Convertible Bond then the Company must redeem the relevant Convertible Bond to the extent of the nominal principal value of the Convertible Bond plus accrued interest.

As indicated in paragraph 3.1, the total cash amount required to redeem all the Convertible Bonds held by Bellpac would be \$14,609,896. By issuing the Initial Shares to Bellpac on 5 February 2016 at the Conversion Price, the Company has already satisfied an amount of approximately \$6,026,582. Accordingly a sum of \$8,583,314 would be required to redeem the remaining Convertible Bonds if the Further Shares are not issued to Bellpac on conversion of the remaining Convertible Bonds.

The Company does not have cash reserves, nor, recognising the highly leveraged condition of its balance sheet, borrowing capacity to make such a material payment, and would accordingly suffer significant financial detriment if it were forced to redeem the remaining Convertible Bonds.

The Directors have given careful consideration to all options with respect to the financing of the Company. These have included raising further capital by way of equity issue, issuing bonds, approaching third parties for subordinated debt funding, none of which, given the condition of the Company, have been feasible.

In that regard it should be noted that the Company's major shareholder, Jindal Steel & Power (Mauritius) Limited (**Jindal**), has been providing continuing financial support over an extended period to the Company, without which the Company would have great difficulty continuing to operate its business.

Jindal has been asked, but, not unexpectedly, is unwilling to fund the redemption of the Convertible Bonds. It is, however, willing to support the issue of the Further Shares to Bellpac, notwithstanding that the issue of the Further Shares will result in a significant dilution of Jindal's shareholding in the Company.

The dilution of Jindal's shareholding will, in the considered opinion of the Directors, be in the best interests of the other Shareholders, as it will create a more balanced shareholding structure, and may create better capital raising opportunities for the Company in the future.

In summary, on any reasonable analysis of all the relevant facts it is self-evident that it is in the best interests of the Company and all shareholders that the Further Shares be issued.

3.5 Effect of the Proposed Share Issue on the Voting Power of Bellpac and its associates, and on the interests of existing Shareholders

The acquisition of the Further Shares by Bellpac will increase Bellpac's voting power in the Company by 13.51% such that Bellpac's total voting power as a result of the acquisition will be increased from 12.88% to 26.39%.

In order to set out clearly for the Company's Shareholders the changes in voting power and dilutionary effect of the issue of the Further Shares, set out below is a table showing the changes to Shareholdings in the Company that would occur as a result of that issue, were it to be implemented.

Identity of Shareholder	Prior to issue of Further Shares (as at 24 March 2016)		Following issue of Further Shares at a Conversion Price of \$0.00591 (assuming Resolution is passed)	
	(Relevant interest in) No. of Shares	% of total number of Shares on issue and voting power ¹	(Relevant interest in) No. of Shares	% of total number of Shares on issue and voting power ¹
Jindal Steel & Power (Mauritius) Limited	5,656,244,574	71.47%	5,656,244,574	60.38%
Bellpac	1,019,726,268	12.88%	2,472,063,680	26.39%
Remaining other Shareholders	1,238,669,002	15.65%	1,238,669,002	13.23%
TOTAL	7,914,639,844	100.00%	9,366,977,256	100.00%

Notes:

¹ Approximate figures and subject to rounding.

3.6 WLC Directors' interests

The Directors are not interested in the outcome of the Resolution, other than as Shareholders.

The relevant interests in the Company's securities held by the Directors and their associates as at the date of this Notice of Meeting are set out in the table below:

Director	Relevant Interests in the Company's securities	
	No. of securities	Type of securities
Mr Ashish Kumar	-	n/a
Dr Andrew Edwin Firek	1,207,523	fully paid ordinary shares
	500,000	non-quoted directors' options exercisable at \$1.00 per share expiring on 31 March 2016
	500,000	Non-quoted directors' options exercisable at \$1.60 per share expiring on 31 December 2016
Mr Maurice Anghie	685,000	fully paid ordinary shares
	500,000	non-quoted directors' options exercisable at \$1.00 per share expiring on 31 March 2016
	500,000	Non-quoted directors' options exercisable at \$1.60 per share expiring on 31 December 2016
Mr Azad Bhura	-	n/a

3.7 Directors' evaluation of the proposed issue of the Further Shares

In evaluating the advantages and disadvantages of the Proposed Share Issue, the Directors considered the following factors:

Advantages

(a) Compliance with Conversion Notices and avoidance of legal action

The Company is legally bound to comply with the terms of the Convertible Bonds and the Conversion Notices. Converting the Convertible Bonds and issuing the Further Shares, if the Resolution is approved, will satisfy the Company's obligations.

(b) No cash repayment, dilution of Jindal shareholding and improving balance in Company's share register

If the Convertible Bonds are converted to equity, then the Company avoids the need to make a cash payment to Bellpac to redeem the Convertible Bonds.

As mentioned in paragraph 3.4, the cash amount required to redeem the remaining Convertible Bonds is approximately \$8,583,314. The Company does not have cash reserves or borrowing capacity to make such a payment, and the Company's major shareholder Jindal, which has provided significant funding to the Company over an extended period, is not willing to provide funds to the Company for that purpose.

If the Proposed Share Issue is not approved, the Company would suffer significant financial detriment if it is forced to redeem the remaining Convertible Notes.

Jindal currently holds approximately 71% of the Shares in the Company. Jindal is willing to support the issue of the Further Shares to Bellpac, notwithstanding that the issue of the Further Shares will result in a significant dilution of Jindal's shareholding in the Company.

The dilution of Jindal's shareholding will, in the opinion of the Directors, be in the best interests of the other Shareholders as it will create a more balanced Shareholding structure, and may create better capital raising opportunities for the Company in the future.

Disadvantages

(a) Dilution of the interests of Shareholders not associated with Bellpac

The issue of the Further Shares to Bellpac following conversion of its remaining Convertible Bonds will result in a dilution in the interests in the Company held by Shareholders who are not associated with Bellpac. The actual dilutionary effect is disclosed in paragraph 3.5.

(b) Effect of increased Shareholding on control

Bellpac and its associates currently have a 12.88% interest in the Shares of the Company.

As explained in paragraph 3.5, if the Further Shares are issued on the conversion of the Convertible Bonds, Bellpac's interest in the Shares of the Company will increase to 26.39%.

This increased Shareholding may make a takeover of the Company more difficult unless Bellpac and its associates are supportive of that offer and this may reduce the attractiveness of the Company to potential acquirers.

If Bellpac's Shareholding increases to 26.39%, it will have the ability to block special resolutions proposed to Shareholders, given that a special resolution requires a 75% majority to be passed.

3.8 Directors' Recommendations and Voting on Resolution 1

The Directors unanimously approved the proposal to put the Resolution to Shareholders and unanimously recommend that Shareholders vote in favour of the Resolution at the forthcoming General Meeting.

The Directors consider that the advantages of the Proposed Share Issue as set out above overwhelmingly outweigh its disadvantages and therefore the Proposed Share Issue is in the best interests of the Company.

Other than as stated in these Explanatory Notes, the Directors have no interest in the Resolution.

In making their recommendations, the Directors advise Shareholders to read this Notice of Meeting in its entirety and to seek their own independent advice if they consider that necessary.

In relation to voting on the Resolution, the Directors intend to vote in favour of the Resolution. Further details of the Directors' interests in the Company's securities are set out in paragraph 3.6 above.

3.9 Additional information

(a) Escrow restrictions

The terms of the Convertible Bonds provide that any Shares issued on conversion of the Convertible Bonds must be escrowed for a period of 6 months from their date of issue. During that period, the Shares cannot be transferred. See Annexure A for further details.

The Company has agreed, in correspondence with Bellpac, that the Further Shares will only be subject to the escrow restrictions set out in Annexure A for a period of 6 months from 5 February 2016, being the date of issue of the Initial Shares.

(b) Bellpac's intentions regarding the future of the Company if the Resolution is passed

Bellpac has not indicated, and the Company is not aware of, Bellpac's future intentions in relation to the Company.

Given Bellpac is currently in liquidation and its liquidators have publicly indicated that they intend to wind-up and deregister Bellpac, it is possible that Bellpac may seek to sell or transfer its relatively large parcel of shares in the Company shortly after the expiry of the 6

month escrow period. This could have a potentially negative effect on the Company's share price, leading to a diminution of shareholder value. However, the Directors cannot definitively state what Bellpac's future intentions in relation to its shareholding in the Company are, and what impact (if any) a sale of the Further Shares would have on the Company. The Directors are able to and do confirm that Jindal is aware of Bellpac's circumstances and the possible sale of that substantial parcel of shares after the 6 month escrow period expires, and will knowing of that circumstance, vote in favour of the Resolutions.

3.10 **Provision of Information**

ASIC Regulatory Guide 74 indicates, by way of guidelines, the type of information that should be provided to shareholders when asking them to consider and vote on a resolution relating to section 611 (item 7) of the Corporations Act. To the best of the Directors' knowledge, all matters that are material and reasonably required for Shareholders to make an informed decision on the Resolution set out in this Notice of Meeting have been provided to Shareholders in these Explanatory Notes.

Resolution 2

3.11 **Refreshing the Company's capacity to issue further Shares**

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity as set out in ASX Listing Rule 7.1.

Accordingly the Company is seeking shareholder approval under ASX Listing Rule 7.4 for the purposes of ratifying the issue of the 1,019,726,268 Initial Shares to Bellpac following the issue of the Bellpac Conversion Notices, as referred to above. The Initial Shares were issued at a price of \$0.00591 per Share in accordance with the terms of the Convertible Bonds set out in Annexure A, The Initial Shares are fully paid ordinary shares in the capital of the Company.

By way of complete explanation it is noted that ASX Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of its shareholders, unless an exception applies.

ASX Listing Rule 7.2 Exception 16 states that the restriction under ASX Listing Rule 7.1 will not apply to any issues made with the approval of Shareholders for the purposes of Item 7 of section 611 of the Corporations Act.

Accordingly, if Resolution 2 is passed, then approval under ASX Listing Rule 7.1 is not required and the issue of the Further Shares will not reduce the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

3.12 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2. The reasons the Directors make this recommendation are that it has no disadvantages:

Other than as Shareholders (see paragraph 3.6), none of the Directors has an interest in the outcome of this Resolution.

4 Glossary

In this Notice of Meeting, unless the context or subject matter otherwise requires:

ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The official listing rules of the ASX.
Bellpac	Bellpac Pty Ltd (Receivers & Managers Appointed) (In Liquidation) (ACN 101 713 017)
Board	The board of Directors of the Company.
Bondholder	A holder of Convertible Bonds, being Bellpac.
Company or WLC	Wollongong Coal Limited (ACN 111 244 896)
Convertible Bonds	The 8% convertible bonds issued by the Company and held by Bellpac, the terms of which are summarised in Annexure A.
Conversion Notices	The notices of conversion in respect of the Convertible Bonds received by the Company from Bellpac on 19 January 2016.
Conversion Price	\$0.00591 per Share
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	A director of the Company.
Explanatory Notes	The explanatory notes to the notice of general meeting.
Further Shares	The 1,452,337,412 Shares proposed to be issued to Bellpac on conversion of its remaining Convertible Bonds, if the Resolution is approved.
General Meeting	The extraordinary general meeting of the Company to be held at the time and place specified in the Notice of Meeting.
Initial Shares	The 1,019,726,268 Shares issued to Bellpac on conversion of part of the Convertible Bonds on 5 February 2016.
Notice of Meeting	This document, comprising the notice of general meeting, the explanatory notes and all appendices.
Proposed Share Issue	The proposed issue of the Further Shares to Bellpac on conversion of the outstanding Convertible Bonds, as outlined in paragraph 3.2.
Resolutions	The resolutions to be put to Shareholders at the General Meeting, as set out on page 5 of this Notice of Meeting.
Shareholder	Holder of Shares.
Share	A fully paid ordinary share in the capital of the Company.
VWAP	Volume weighted average price.

ANNEXURE A

TERMS OF THE CONVERTIBLE BONDS

Issuer	Wollongong Coal Limited (ACN 111 244 896) ("WLC") of 7 Princes Highway, Corrimal, NSW 2518, Australia.
Securities	Australian Dollar Denomination Fixed Rate Convertible Bonds due 1 July 2028 (the "Bonds"). Bondholder will have the right to convert their Bonds into fully paid ordinary shares in the capital of the Issuer at " Conversion price " per share at any time during the month of July and January on or after 01-July-2011.
Ranking/Status	The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer ranking pari passu with bonds aggregating up to \$25 million to be issued in four distinctive series viz: <ul style="list-style-type: none"> • 8% Convertible Bonds 2008 – I Series – 125 bonds aggregating to AUD\$6.25 million • 8% Convertible Bonds 2008 – II Series – 125 bonds aggregating to AUD\$6.25 million • 8% Convertible Bonds 2008 – III Series – 125 bonds aggregating to AUD\$6.25 million • 8% Convertible Bonds 2008 – IV Series – 125 bonds aggregating to AUD\$6.25 million
Form and Denomination	The Bonds will be issued in definitive registered form in denominations of AUD\$50,000 each.
Deemed Issue Date	1 July 2008.
Title	Title to a Bond is vested absolutely in the person entered in the Register as the holder of the Bond (the "Bondholder") and passes by transfer and registration.
Interest Rate and Payment	8% per annum. Interest will be paid quarterly in arrears. The interest for the first 10 years will be capitalized. The payment of interest will be subject to deduction of withholding tax as applicable.
Maturity Date	1 July 2028, unless previously redeemed, converted or purchased and cancelled.
Transfer	Bonds are freely transferable. Application for the transfer of Bonds must be made by the lodgement with the Issuer (or an Agent designated by it for such purpose) of a duly completed Transfer Form.
Conversion Price	The volume weighted averages sale price of the fully paid ordinary shares of WLC during the month of June for July conversion date, or volume weighted average sale price during the month of December for January conversion date (as the case may be) immediately preceding the conversion date, as traded on the securities exchange where WLC's fully paid ordinary shares are then listed.
Conversion Method	On application for conversion by way of notice, the number of fully paid ordinary shares in WLC to be issued for each Bond will be the face value of the applicable Bond along with any accrued interest thereupon surrendered for conversion, divided by the conversion price. No partial conversion of a Bond is permitted and any residual amount will be paid in cash to the Bondholder.
Conversion Date	At any time during the month of July and January as nominated by the Bondholder. The Bondholder can convert in one or more tranches during the months of July and January on or before the Maturity Date.
Issue of shares after conversion	If WLC is unable to issue fully paid ordinary shares upon application for conversion of any Bond within 7 days from the end of the month in which that application is made, WLC will redeem the relevant Bond to the extent of the nominal principal value of the Bond plus accrued interest.
Listing of Shares after Conversion	The shares issued to a Bondholder upon conversion will be escrowed for 6 months after issue. The Bondholder must obtain the consent of WLC prior to transfer and the transferee of the shares agrees to be bound by the escrow terms. WLC will apply to list the fully paid ordinary shares of WLC to a Bondholder, on its conversion of a Bond, free from any restriction on transfer, on securities exchange where WLC's fully paid ordinary shares are then listed

	within 3 days after the expiry of the escrow period.
Acceleration of Repayment	WLC may redeem all or part of any Bond held in the name of a Bondholder prior to its conversion and/or its stated maturity date in a pro-rata manner; that is, a redemption proposal will treat each Bondholder in the same manner and no redemption of a Bond held by any Bondholder will be made without redemption of the Bonds held by all other Bondholders and in the same proportion. This right of WLC to redeem all or part of any Bond prior to its conversion can be exercised only at the sole discretion of WLC and the decision of WLC in this regard shall be final and binding on the Bondholder. The Bond so redeemed shall not be eligible for conversion into shares.
Legal & Jurisdiction	The Bonds are issued subject to the laws applying in New South Wales and the jurisdiction of its courts.

PROXY FORM