



Wollongong Coal

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7 November 2014

Dear Shareholder

Wollongong Coal Limited – accelerated pro-rata renounceable rights issue

As announced on 4 November 2014, Wollongong Coal Limited (ACN (111 244 896)) (**Wollongong** or **the Company**) is undertaking a nineteen (19) for twenty (20) accelerated pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 3.7 billion fully paid ordinary shares (**New Shares**) to raise approximately \$66.68 million. The price of New Shares under the Offer is \$0.018 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on or about 4 November 2014.

The primary purpose of the new Offer is to provide funds for repayment of the facility drawdown provided by Jindal Steel & Power (Mauritius) Limited. The funds will also be used for payment of salaries and employment costs, payment of past liabilities, working capital, capitalised development, operational expenditure and administration expenses.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (Sydney Time) on 10 November 2014, whose registered address is in Australia, New Zealand or Singapore.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer and assuming full subscription, the Company will have issued approximately 3.7 billion New Shares resulting in total Shares on issue of approximately 7.6 billion.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand and Singapore (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and Singapore compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

Subject to ASIC's consent, the Company will appoint Argonaut Securities Pty Limited (**Nominee**) as nominee to sell the rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Sanjay Sharma, Wollongong's Company Secretary, on +61 2 4223 6830.

Yours sincerely

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COMPANY SECRETARY

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