



ASX RELEASE
10 July 2017

Update on Entitlement Offer

Baralaba Coal Company Limited (ASX:BCL) (**BCL** or the **Company**) today provides the following update in respect of its 2 for 1 partially underwritten pro rata renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in BCL (**New Shares**), details of which were announced to ASX on Monday, 19 June 2017.

The Entitlement Offer allowed eligible institutional and retail shareholders of the Company the opportunity to subscribe for 2 New Shares for every 1 existing fully paid ordinary share which they held in BCL as at 7.00pm (AEST) on Thursday, 22 June 2017 at a price of \$0.25 per New Share.

BCL received valid applications from eligible institutional and retail shareholders for approximately 159.1 million New Shares (including applications for additional New Shares in excess of an eligible shareholders entitlement (**Additional New Shares**) and applications in the bookbuild conducted on Thursday, 6 July 2017), representing approximately 51% of New Shares under the Entitlement Offer.

The total gross proceeds raised under the Entitlement Offer is approximately \$39.8 million. As the proceeds raised under the Entitlement Offer are less than that which the Company was seeking to raise under the Entitlement Offer, the Company is now considering whether to proceed with the Entitlement Offer. In making this determination the Company is considering additional funding options which may be available to it as well as considering whether the proceeds raised under the Entitlement Offer are sufficient to allow it to restart the Baralaba North mine and meet ongoing working capital requirements. The Company is also in discussions with Liberty Metals & Mining Holdings, LLC (**Liberty**) to ascertain whether it will provide the Company with a waiver of the requirement to raise at least \$77 million under the Entitlement Offer (which was a condition of the Bridge Loan Agreement entered into between the Company and Liberty dated 2 June 2017, details of which were announced to the market on that date). Without such waiver, the Company will not be able to proceed with the Entitlement Offer.

While the issue of New Shares and Additional New Shares under the Entitlement Offer was originally scheduled to occur on Tuesday, 11 July 2017, the Company has resolved to delay the issue of these shares until such time as it has made a determination as to whether it will proceed with the Entitlement Offer, which it expects to occur no later than Friday, 14 July 2017.

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Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit an offering of the Entitlements and the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the Entitlements and the New Shares referred to herein have been not and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the

Entitlements and the New Shares may not be offered or sold to any person in the United States or any person that is acting for the account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

For more information on foreign offer restrictions, see the section titled "International Selling Restrictions" in the Investor Presentation dated 19 June 2017.

Forward looking statements

This announcement contains certain forward-looking statements including statements of current intention, statements of opinion and predictions as to possible future events. Forward-looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the outcome and effects of the Entitlement Offer. Indications of, and guidance or outlook on, future earnings, financial position, performance and strategies are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of BCL and cannot be predicted by BCL. This includes changes in circumstances or events that may cause objectives to change as well as any statements about market and industry trends, which are based on interpretations of current market conditions. They also include general economic conditions, exchange rates, interest rates, regulatory environments, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. This announcement includes forward looking statements in relation to the Entitlement Offer and BCL's future financial results.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and none of BCL or any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements.