



Quarter 4 2013 Report

ASX: BWD

Blackwood Corporation Limited

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Board of Directors

Barry Bolitho

Andrew Lawson

James Rodgers

Lee O'Dwyer

Company Secretary

Lee O'Dwyer

Senior Management

CEO – Todd Harrington

CFO – David Smith

GM Exploration – Mark Winsley

GM Bus Dev – Brendan Schilling

Principal Intl Geo – Joel Yago

Key Metrics

Projects: 17

EPC's: 63

EPCA's: 8

Portfolio JORC Exploration Target: 5.0

to 6.9 billion tonnes[#]

Highlights

Exploration

- Phase Two Drill Program commenced at Dingo Project

Corporate

- Takeover of Blackwood by Cockatoo Coal declared unconditional on 19th December 2013
- Offer remains open to Blackwood Shareholders until 28 February 2014

Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2012). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement

Corporate

Cockatoo Coal Takeover Offer for Blackwood Corporation

On the 18th of October 2013, Blackwood and Cockatoo Coal Ltd ("Cockatoo") announced they had entered into a Bid Implementation Agreement ("BIA") pursuant to which Cockatoo has agreed to make a conditional off-market takeover offer to acquire all of the issued shares in Blackwood ("Offer"). The Directors of Blackwood have recommended the Offer of two Cockatoo shares for each Blackwood share subject to an independent expert concluding that the Offer is fair and reasonable to Blackwood shareholders and subject to Cockatoo's announced capital raising completing.

The Board of Blackwood believes the transaction is in the best interests of Blackwood shareholders for the following reasons:

- The Blackwood board has considered a range of potential transactions and the Cockatoo merger is the most value-enhancing alternative available at the current time;
- The Offer allows Blackwood shareholders to become part of a leading mid-tier ASX listed metallurgical coal producer with the potential to expand to 3.5 million tonnes per annum;
- The merged company would possess significant development opportunities from a portfolio of more than 100 EPCs, prospective for coking, PCI and thermal coal deposits and including 15 mining leases approved or in application;
- Simultaneous corporate financing initiatives announced by Cockatoo mean that Cockatoo's Baralaba North Expansion will have a funded capital investment program for the foreseeable development;
- The Offer represents a 35% premium to the last closing price of Blackwood shares on 16 October on ASX based on a Cockatoo TERP¹ which is an attractive premium to current and recent historical prices of Blackwood shares; and
- The Blackwood board believes the merger will provide substantial capital markets benefits for Blackwood shareholders including increased scale, relevance and liquidity.

On 23 October 2013 Cockatoo announced the successful completion of the bookbuild for the placement to institutional and sophisticated investors as part of the Cockatoo capital raising.

¹ Theoretical ex-entitlement price (TERP) of A\$0.051 per share based on the 1 month VWAP of COK shares traded on ASX up to and including 16 October 2013 of A\$0.060 per Share and including the impact of Cockatoo's announced capital raising.

Blackwood's major shareholder, Noble Group (51.2%) has confirmed that it has disposed of its entire shareholding in Blackwood comprising of 94,689,760 Blackwood Shares by accepting the Offer.

Cockatoo declared the Offer free of conditions on the 19th December 2013, and the Offer period has been extended until 7:00pm (AESDT) on the 28th February 2014.

As at 31st January 2014, Cockatoo's voting power within Blackwood was at 87.83%. The Independent Directors of Blackwood continue to recommend that shareholders ACCEPT the Offer in the absence of a superior offer. Further details are available to Shareholders in the Bidder's Statement and Target's Statement, available at www.asx.com.au

Board Restructure

As per the conditions of the Takeover Offer, the Board of Blackwood has been restructured following Cockatoo assuming 52.1% control of Blackwood. Mr Andrew Simpson, Mr Rex Littlewood and Mr William Randall have resigned from the Board, and Company Secretary Patrick McCole has resigned from the Company, either during or subsequent to the Quarter.

Blackwood Chairman, Mr Barry Bolitho, acknowledged Mr Simpson, Mr Littlewood, Mr Randall and Mr McCole's significant contribution as part of Blackwood, saying that "I'd like to thank Andrew, Rex, Will and Patrick for their important roles in ensuring that the Company was able to navigate through a period of challenging legal and market conditions. Their contribution was invaluable."

Mr Andrew Lawson, Mr James Rodgers and Mr Lee O'Dwyer have been appointed to the Blackwood Board.

Andrew Lawson is the current Managing Director of Cockatoo. Andrew has 16 years of experience in the coal sector, predominantly as a member of Glencore International's coal division, based variously in Australia, Singapore and the USA, during which time he was actively involved in acquisitions, investment, operations and marketing.

Andrew has a Masters of Science in Management from Stanford Graduate School of Business, California, USA, and also has a Bachelor of Laws and a Bachelor of Economics from the University of Sydney.

James Rodgers is the current General Manager – Commercial of Cockatoo. James has 20 years of international M&A and management experience in a variety of industries, including mining & natural resources, hospitality, transportation, manufacturing and professional services, while based in Canada, Japan and Australia. James holds an Advanced Degree in Management, and a Masters of Business Administration

Lee O'Dwyer is the current Company Secretary of Cockatoo. He graduated with a Bachelor of Commerce degree, and a Bachelor of Business Management degree from the University of Queensland, has a Graduate Diploma in Applied Corporate Governance, and is a member of the Institute of Chartered Accountants in Australia. He has worked as a Chartered Accountant in both

Australia and in North America, with a focus on the mining sector. For the past three years, he has provided financial reporting, company secretarial and administrative services to a range of publicly listed companies in Australia.

Working Capital Facility

Blackwood advises that, following Cockatoo's relevant interest in Blackwood exceeding 52.1% and control of the Board changing, it has fully drawn the A\$4.0m unsecured loan facility ("Cockatoo Loan Facility") provided by Cockatoo in accordance with the Bid Implementation Agreement.

The funds were drawn for the purpose of repaying the existing \$8.3m loan facility provided by Noble Group Limited ("Noble Loan Facility"), which had been drawn to \$7.7m. The balance of the repayment (\$3.7m) was funded from existing Blackwood cash balances. The Cockatoo Loan Facility is on materially the same terms as the Noble Loan Facility other than repayment terms and facility limit described below.

The Cockatoo Loan Facility has the following key terms as required in the Bid Implementation Agreement:

- A facility limit of A\$4,000,000, to be drawn down at any time prior to the Repayment Date, in multiples of A\$250,000
- The repayment date is 3 months following first draw down (now set at 19 March 2014)
- Interest is payable at 12.5% per annum, payable monthly in arrears. Blackwood may elect to capitalise interest prior to the Repayment Date. The final interest payment will be paid on the Repayment Date
- Blackwood's obligations under the Facility are guaranteed by Blackwood's subsidiary, Matilda Coal Pty Ltd
- Blackwood may, with 10 business days' notice, elect to repay an amount of principal before the Repayment Date. With 15 day's written notice, Blackwood may elect to cancel the entire facility before the Repayment Date without penalty or cost

Exploration

Dingo

Project Overview

Blackwood is pleased to announce that it has completed the second phase of a scout drilling program at its 100% owned “Dingo” Project, located in the South-East Bowen Basin. The project is divided into two parts, with EPC 1562 in the east consisting of 4 sub-blocks, and EPC 1535 in the west consisting of 20 sub-blocks (Figure 3). The project is less than 15km from the Blackwater rail system that currently transports coal to the Port of Gladstone (circa 250km). The project is approximately 15km south of the township of Dingo, and is also serviced in close range by the Capricorn Highway.

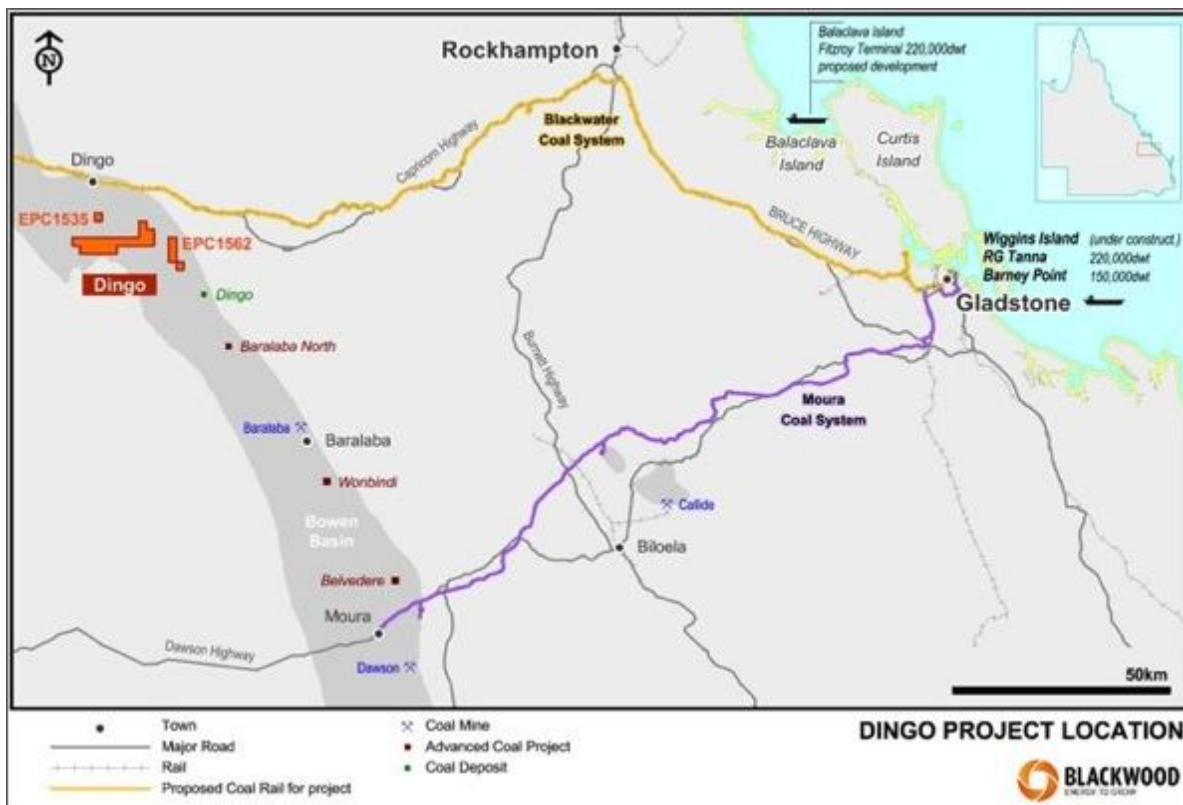


Figure 1 – Dingo Project Location

Program Overview

The second phase of the Blackwood program commenced in December 2013 within EPC 1562. The program proved the synclinal extension of the Baralaba Coal Measures and the presence of PCI style coals within the tenure. A total of 570 meters was drilled across four drill holes, including one cored hole for coal quality analysis. A rehabilitation program was commenced and finalised immediately after the drilling program was completed.

Seam	Depth From	Thickness	Moisture	Ash	Volatile Matter	Total Sulphur	Calorific Value		CSN
	(m)	(m)	(%ad)	(%ad)	(%ad)	(%ad)	MJ/Kg	Kcal/kg	
Seam 1 Ply 1	30.16	0.26	1.5	27.1	14	0.63	24.97	5964	2
Seam 1 Ply 2	30.42	1.56	1.9	13.2	14.1	0.94	30.63	7316	7
Seam 2 Ply 1 Upp	46.16	0.36	1.8	19.8	12.6	0.62	28.28	6754	3
Seam 2 Ply 1 Mid	46.53	0.59	2.1	12	13.9	0.64	31.13	7436	7
Seam 2 Ply 1 Low	47.11	0.26	1.9	33.1	12.2	0.5	23.21	5544	3.5
Seam 2 Ply 1	74.39	1.21	1.5	34.8	15.5	0.36	21.19	5062	1.5

Table 1 – Dingo Intersections & Quality

Tenement Summary

Blackwood had 4 EPC's granted throughout the Quarter, totalling 19 sub blocks. These are located across 3 project areas Rolleston South, Bowen East and Chinchilla.

Tenure Count	Oct-13	Nov-13	Dec-13
APPLICATION	8	8	8
COMPETING APPLICATION	3	3	3
EXPLORATION PERMIT PROPOSAL	1	1	1
PRIORITY APPLICANT	4	4	4
IN ASSESSMENT	0	0	0
GRANTED	63	63	63
RENEWAL LODGED	1	1	1
GRANTED	62	62	62
Grand Total	71	71	71

Table 2 – Count of QLD EPC's by Number

Blackwood continues to retain its mineral tenure portfolio in good standing.

Mineral Tenure

EL26891 – Northern Territory
 EL29433 – Northern Territory
 EL26820 – Northern Territory
 EL29438 – Northern Territory
 EL70/3292 – Western Australia

Coal Tenure

Tenure Number	Tenure Type	Status	Sub-Status	Date Lodged	Date Granted	Date Expires	Principal Holder	Number of Subblocks	Project
1430 EPC	GRANTED			30-Jun-08	17-Aug-09	16-Aug-14	BLACKWOOD CORPORATION LIMITED	9	Warwick South
1431 EPC	GRANTED			30-Jun-08	15-May-09	14-May-14	BLACKWOOD CORPORATION LIMITED	10	Warwick South
1436 EPC	GRANTED			1-Jul-08	17-Aug-09	16-Aug-14	BLACKWOOD CORPORATION LIMITED	15	Taroom
1459 EPC	GRANTED			2-Jul-08	17-Aug-09	16-Aug-14	MATILDA COAL PTY LTD	1	Dalby
1461 EPC	GRANTED			2-Jul-08	17-Mar-10	16-Mar-15	MATILDA COAL PTY LTD	11	Dalby
1462 EPC	GRANTED			2-Jul-08	19-Feb-10	18-Feb-14	MATILDA COAL PTY LTD	15	Dalby
1464 EPC	GRANTED			3-Jul-08	26-May-10	25-May-15	MATILDA COAL PTY LTD	10	Chinchilla
1465 EPC	GRANTED			3-Jul-08	18-Aug-09	17-Aug-14	MATILDA COAL PTY LTD	51	Taroom
1466 EPC	GRANTED			4-Jul-08	26-May-10	25-May-15	MATILDA COAL PTY LTD	5	Capella
1467 EPC	GRANTED			4-Jul-08	20-Jul-09	19-Jul-14	MATILDA COAL PTY LTD	9	Rolleston North
1468 EPC	APPLICATION	EXPLORATION PERMIT PROPOSAL		4-Jul-08			MATILDA COAL PTY LTD	138	Rolleston South
1474 EPC	GRANTED			7-Jul-08	21-Jul-11	20-Jul-16	MATILDA COAL PTY LTD	30	Millmerran
1475 EPC	GRANTED			7-Jul-08	21-Jul-11	20-Jul-16	MATILDA COAL PTY LTD	13	Millmerran
1483 EPC	GRANTED			8-Jul-08	18-Jun-10	17-Jun-15	MATILDA COAL PTY LTD	37	Carmichael North
1485 EPC	GRANTED			8-Jul-08	26-Nov-10	25-Nov-15	MATILDA COAL PTY LTD	50	North Hughenden
1486 EPC	GRANTED			8-Jul-08	21-Jan-11	20-Jan-16	MATILDA COAL PTY LTD	299	South Pentland
1495 EPC	GRANTED			14-Jul-08	3-Jul-09	2-Jul-14	MATILDA COAL PTY LTD	38	Biloela
1496 EPC	GRANTED			14-Jul-08	29-Oct-10	28-Oct-15	MATILDA COAL PTY LTD	159	North Hughenden
1509 EPC	GRANTED			17-Jul-08	17-Aug-09	16-Aug-14	MATILDA COAL PTY LTD	5	Warwick North
1522 EPC	GRANTED			24-Jul-08	23-Jul-09	22-Jul-14	MATILDA COAL PTY LTD	43	Springure North
1530 EPC	GRANTED			1-Aug-08	17-Aug-09	16-Aug-14	MATILDA COAL PTY LTD	13	Warwick South
1531 EPC	GRANTED			1-Aug-08	15-May-09	14-May-16	MATILDA COAL PTY LTD	7	Rolleston North
1533 EPC	GRANTED	RENEWAL LODGED		1-Aug-08	17-Aug-09	16-Aug-13	MATILDA COAL PTY LTD	6	Warwick South
1535 EPC	GRANTED			1-Aug-08	9-Apr-13	8-Apr-18	MATILDA COAL PTY LTD	20	Dingo
1555 EPC	GRANTED			19-Aug-08	17-Aug-09	16-Aug-14	MATILDA COAL PTY LTD	13	Millmerran
1556 EPC	GRANTED			19-Aug-08	18-Aug-09	17-Aug-14	MATILDA COAL PTY LTD	16	Taroom
1557 EPC	GRANTED			19-Aug-08	18-Aug-09	17-Aug-14	MATILDA COAL PTY LTD	18	Taroom
1558 EPC	GRANTED			19-Aug-08	5-Nov-09	4-Nov-14	MATILDA COAL PTY LTD	17	Taroom
1562 EPC	GRANTED			1-Sep-08	4-Aug-09	3-Aug-14	MATILDA COAL PTY LTD	4	Dingo
1563 EPC	GRANTED			1-Sep-08	15-May-09	14-May-16	MATILDA COAL PTY LTD	40	Bymount
1564 EPC	APPLICATION	RANKED COMPETING		1-Sep-08			MATILDA COAL PTY LTD	4	Capella
1565 EPC	GRANTED			1-Sep-08	18-Aug-09	17-Aug-14	MATILDA COAL PTY LTD	6	Chinchilla
1596 EPC	GRANTED			1-Oct-08	9-Apr-13	8-Apr-18	MATILDA COAL PTY LTD	14	Chinchilla
1597 EPC	GRANTED			1-Oct-08	26-Nov-09	25-Nov-14	MATILDA COAL PTY LTD	4	Warwick South
1599 EPC	GRANTED			1-Oct-08	11-Apr-11	10-Apr-16	MATILDA COAL PTY LTD	14	Capella
1600 EPC	GRANTED			1-Oct-08	26-Nov-09	25-Nov-14	MATILDA COAL PTY LTD	3	Bymount
1602 EPC	APPLICATION	PRIORITY APPLICANT		1-Oct-08			MATILDA COAL PTY LTD	7	Chinchilla
1603 EPC	GRANTED			1-Oct-08	20-Aug-12	19-Aug-15	MATILDA COAL PTY LTD	1	Taroom
1691 EPC	GRANTED			20-Feb-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	4	Dalby
1702 EPC	GRANTED			10-Mar-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	4	Millmerran
1703 EPC	GRANTED			10-Mar-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	4	Millmerran
1706 EPC	GRANTED			20-Mar-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	4	Warwick South
1711 EPC	GRANTED			20-Mar-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	2	Warwick South
1724 EPC	GRANTED			2-Apr-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	4	Bymount
1725 EPC	GRANTED			2-Apr-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	10	Capella
1733 EPC	GRANTED			15-Apr-09	13-Oct-10	12-Oct-15	MATILDA COAL PTY LTD	11	Dalby
1734 EPC	GRANTED			15-Apr-09	15-Oct-10	14-Oct-15	MATILDA COAL PTY LTD	6	Dalby
1760 EPC	GRANTED			19-May-09	19-Feb-10	18-Feb-15	MATILDA COAL PTY LTD	8	Warwick North
1761 EPC	GRANTED			19-May-09	14-Dec-11	13-Dec-16	MATILDA COAL PTY LTD	45	Millmerran
1762 EPC	GRANTED			22-May-09	28-Feb-11	28-Feb-16	MATILDA COAL PTY LTD	240	South Pentland
2045 EPC	GRANTED			29-Jan-10	15-Oct-10	14-Oct-15	MATILDA COAL PTY LTD	1	Warwick South
2064 EPC	GRANTED			23-Feb-10	13-Oct-10	12-Oct-15	MATILDA COAL PTY LTD	2	Chinchilla
2067 EPC	GRANTED			1-Mar-10	12-Jun-13	11-Jun-18	MATILDA COAL PTY LTD	17	Warwick South
2104 EPC	GRANTED			28-Apr-10	15-Nov-12	14-Nov-14	MATILDA COAL PTY LTD	1	Bowen East
2106 EPC	GRANTED			4-May-10	27-Sep-13	26-Sep-18	MATILDA COAL PTY LTD	48	Rolleston South
2112 EPC	GRANTED			5-May-10	16-Dec-11	15-Dec-16	MATILDA COAL PTY LTD	3	Rolleston South
2130 EPC	GRANTED			1-Jun-10	3-Oct-13	2-Oct-18	MATILDA COAL PTY LTD	1	Bowen East
2138 EPC	GRANTED			1-Jul-10	28-Sep-12	27-Sep-17	MATILDA COAL PTY LTD	15	Calen
2191 EPC	GRANTED			18-Aug-10	22-Feb-11	21-Feb-16	MATILDA COAL PTY LTD	2	Rolleston North
2199 EPC	GRANTED			30-Aug-10	25-Feb-11	24-Feb-16	MATILDA COAL PTY LTD	5	Chinchilla
2200 EPC	GRANTED			30-Aug-10	25-Feb-11	24-Feb-16	MATILDA COAL PTY LTD	2	Chinchilla
2205 EPC	GRANTED			1-Sep-10	3-Oct-13	2-Oct-18	MATILDA COAL PTY LTD	11	Rolleston South
2212 EPC	APPLICATION	PRIORITY APPLICANT		1-Sep-10			MATILDA COAL PTY LTD	14	Chinchilla
2311 EPC	APPLICATION	RANKED COMPETING		4-Jan-11			MATILDA COAL PTY LTD	26	Rolleston South
2329 EPC	APPLICATION	RANKED COMPETING		4-Jan-11			MATILDA COAL PTY LTD	59	Rolleston South
2781 EPC	GRANTED			1-Sep-11	8-Oct-13	7-Oct-18	MATILDA COAL PTY LTD	3	Chinchilla
2782 EPC	GRANTED			1-Sep-11	3-Oct-13	2-Oct-18	MATILDA COAL PTY LTD	4	Chinchilla
2842 EPC	GRANTED			18-Oct-11	7-Dec-12	6-Dec-17	MATILDA COAL PTY LTD	1	South Pentland
2853 EPC	GRANTED			1-Nov-11	11-Feb-13	10-Feb-16	MATILDA COAL PTY LTD	1	South Pentland
2922 EPC	APPLICATION	PRIORITY APPLICANT		3-Jan-12			MATILDA COAL PTY LTD	24	Rolleston South
2924 EPC	APPLICATION	PRIORITY APPLICANT		3-Jan-12			MATILDA COAL PTY LTD	17	Taroom

About Blackwood Corporation

Blackwood Corporation Limited (**ASX: BWD**) is an emerging Australian energy and resources company, with a primary focus on the exploration and development of its coal tenement portfolio in Queensland, Australia.

Through its wholly owned subsidiary, Matilda Coal Pty Ltd, Blackwood Corporation holds tenure of over 5,800 square kilometres in world class and internationally recognized coal basins, such as the Bowen Basin, Galilee Basin, Surat Basin and Clarence-Moreton Basin. The company has established 7 'priority projects' and 10 'pipeline projects', aimed at providing long term growth opportunities. Many of its assets are adjacent to proven coal reserves of significant size and export quality, as well as excellent infrastructure.

For more information, please contact

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Chief Executive Officer
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Competent Persons' Statement

The information in this report that relates to Exploration Results, Exploration Targets and Minerals Resources is based on information compiled by Mr Mark Winsley, Mrs Merryl Peterson, Mr Lyon Barrett and Mr Lyndon Pass, who are all members of The Australian Institute of Mining and Metallurgy (AUSIMM).

For the Inferred Resources stated for the Lauderdale Project at South Pentland:

Mr Winsley is the General Manager – QLD Exploration, a full time employee of Blackwood Corporation Limited and holds shares in Blackwood. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Winsley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Winsley is signing off as competent person for the validity of field data.

Mr Barrett is engaged as Principal Resource Geologist/Director at Measured Resources Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barrett consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Barrett is signing off as competent person for the resource estimate.

For the Exploration Targets on the South Pentland Project:

Mrs Peterson is engaged as Principal Geologist at Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking 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. Mrs Peterson consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Mr Pass is engaged as Principal Resource Geologist/Director at Encompass Mining Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Pass consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

For the Taroom Exploration Target and the Inferred Resources stated for the Broadmere Project at Taroom:

Mr Winsley is the General Manager – QLD Exploration, a full time employee of Blackwood Corporation Limited and holds shares in Blackwood. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Winsley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Mr Pass is engaged as Principal Resource Geologist/Director at Encompass Mining Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pass consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Exploration Targets

Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource on the tenement, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

^A: Please refer to the ASX South Pentland Exploration Target announcements 21 November 2011 & 8 October 2012 for full report. Coal Quality Ranges for the South Pentland Project are as follows (all on an air dried basis): Moisture 8.4-11.6, Raw Ash 9.5-34.2, Volatile Matter 21.5-32.6, Fixed Carbon 46.4 - 55.3, Total Sulphur 0.26 - 0.34, Ave SE 5445 kcal/kg, Exploration Target reduced by the amount of inferred resources reported, now 2.7 to 4.3 Billion Tonnes.

^B: Please refer to the ASX Taroom Exploration Target announcement 19 March 2012 for full report. Coal Quality Ranges for the Taroom Project are as follows (all on an air dried basis): Moisture 5.9-9.9, Raw Ash 9.8-31.3, Volatile Matter 28.7-43.9, Fixed Carbon 27.0-40.0, Total Sulphur 0.22-0.51, SE 5162 – 6709 kcal/kg.