ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 APRIL 2010

MARCH 2010 QUARTERLY REPORT

Highlights:

- **Equatorial Coal continues to pursue new opportunities in the resources sector to complement the Company's existing resource assets.**
- **In this regard, the Company is currently assessing a number of opportunities and will make announcements to the market should any acquisitions be finalised.**

The Board of Equatorial Coal Limited ("**Equatorial**" or "**Company**") is pleased to present its March 2010 quarterly report.

During the quarter, the Company continued its efforts on the identification and acquisition of advanced resource projects.

In this regard, the Company continues to assess a number of new opportunities and is currently pursuing an acquisition of certain mineral interests in West Africa. However, fundamental to completing and announcing the transaction is title to the mineral interests, which the Company has not been able to determine at this stage. Given the current status of the transaction, the Company is not in a position to make an announcement.

To improve the Company's ability to attract and complete new business acquisitions, a 1 for 10 share consolidation was announced on 10 March 2010 and is due to be considered at a General Meeting of shareholders on 30 April 2010.

The Company continues to examine alternatives to extract value from its remaining interests in Indonesia. As advised in the September 2009 quarter, the Company has appointed an Indonesian based organisation to assist in the area of debt collection. This party has been in discussions with PT. Mega Coal Indomine ("Mega Coal") and if any settlement is received from Mega Coal as a result of these discussions, the Company will make further announcements to the market on the terms of such settlement.

The Board and Management will continue to focus on creating value from the Company's existing resource assets, as well as pursuing new opportunities in the resources sector, and as and when acquisitions are completed the Company will make appropriate announcements to the market.

Enquiries: ***Mark Pearce – Company Secretary***
Contact Details: *Telephone: (61 8) 9322 6322*

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EQUATORIAL COAL LIMITED

ABN	Quarter ended ("current quarter")
50 009 188 694	**31 MARCH 2010**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(17)	(17)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(84)	(479)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	14	21
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid/received	-	-
1.7	Other (provide details if material) - Business development	(2)	(2)
	Net Operating Cash Flows	(89)	(477)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	3
1.10	Loans to other entities	-	(147)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	(144)
1.13	Total operating and investing cash flows (carried forward)	(89)	(621)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(89)	(621)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,656
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising expenses	(19)	(150)
	Net financing cash flows	(19)	2,506
	Net increase (decrease) in cash held	(108)	1,885
1.20	Cash at beginning of quarter/year to date	2,309	316
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,201	2,201

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include directors’ fees, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
	Total	**50**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	386	1,105
5.2	Deposits at call	1,815	1,204
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,201	2,309

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not applicable			
6.2	Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	431,128,341	431,128,341	Fully Paid	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	 1,000,000 750,000 1,000,000 2,000,000 1,500,000 1,000,000	 - - - - - -	*Exercise price* $0.2335* per share $0.1835* per share $0.2835* per share $0.20 per share $0.30 per share $0.40 per share	*Expiry date* 4 August 2011 31 December 2010 31 December 2012 30 July 2013 30 July 2013 30 July 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

* New exercise price in accordance with Listing Rule 6.22.2 as a result of the pro-rata issue.

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:.. Date: 29 April 2010
(~~Director~~/Company secretary)

Print name: **MARK PEARCE**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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