Rule 3.19A.1

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	**EQUATORIAL COAL LIMITED**
ABN	**50 009 188 694**

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	John WELBORN
Date of appointment	6 August 2010

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities Nil

+ See chapter 19 for defined terms.

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest. Nil	**Number & class of Securities**

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	• Agreement for Mr Welborn and/or his nominees to participate in a placement of shares at $0.25 each • Employment agreement requiring the grant of incentive options
Nature of interest	To be granted pursuant to shareholder approval.
Name of registered holder (if issued securities)	Not applicable
No. and class of securities to which interest relates	• 2,000,000 ordinary shares • 1,000,000 incentive options exercisable at $0.25 each on or before 30 June 2012, vesting after 6 months of service • 1,500,000 incentive options exercisable at $0.40 each on or before 30 June 30 2013, vesting after 12 months service • 2,000,000 incentive options exercisable at $0.60 each on or before 31 December 2013, vesting after 18 months service