Acacia Coal

12 November 2012

Acacia Coal AGM
Chairman's Opening Remarks

Prior to the main business of this meeting I will comment on the progress of your Company over the last year.

The Company's primary focus has been to consolidate its position as an explorer and developer in Queensland's Bowen Basin coal province. Acacia's Comet Ridge Project has a source of shallow coking coal with good access to existing rail and port infrastructure, and is well positioned to generate substantial value for Shareholders.
A major drilling campaign in August 2011 enabled the first JORC inferred resource of 150 million tonnes to be calculated in the December 2011 quarter. This was a major milestone for the Company and was followed in the third quarter by a larger drill programme, which the Managing Director will discuss in greater detail later in the meeting.

Your Company expects to report a a measured and indicated resource later in 2012 and a mining reserve in 2013 as the Management team develops mine plans. This will be followed by environmental and other government approvals in 2013-14.

The Comet Ridge Project achieved a major milestone with the commitment of Bandanna Energy to locate at Comet Ridge the rail loading facility and associated infrastructure for its new Springsure Creek Project. The construction and sharing of this major facility significantly reduces Comet Ridge capital costs, as well as having this essential part of the project commencing earlier than initially anticipated.
A $8.8 million fundraising was completed in the December 2011 quarter through a placement and share purchase plan to new and existing shareholders. The Company has adequate funding to carry out planned work for 2013.

The Company is now well positioned in the coal sector and Shareholders can look forward to positive developments at Comet Ridge in the year ahead.

I would like to take this opportunity to thank the Directors and Officers of the Company for their efforts over the last year.

Dr Tim Sugden
Chairman

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Acacia Coal

Annual General Meeting Presentation

12 November 2012

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Competent Person's Statement: The information in this announcement that relates to the mineral resources is based on information evaluated by Rob Dyson who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Dyson is a fulltime employee of McElroy Bryan Geological Services Pty Ltd. Mr Dyson is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and 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' (JORC Code). Mr Dyson consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Company Overview

- **Challenging Market in 2012 – Corporate Strategic Review**
- **Acacia believes in the long term strength of the coking coal market**
  - Company resources and cash focused on coking coal
  - Comet Ridge remains the Priority Project
- **Bandanna Infrastructure Agreement reduced Comet Ridge Capex by $50M**
- **Acacia defers exploration of deep thermal targets**
  - High cost of exploration and uncertainty of defining economic underground thermal coal
  - Thermal market unlikely to justify Acacia’s high cost underground prospects

Company Overview

Projects

Priority Project – Comet Ridge EPC 1230

- Maiden Inferred Resource of 50Mt (0-50m depth)
- Pre Feasibility study by Dec 2012
- Bankable Feasibility study by Dec 2013

Second Project – Spring Creek EPC 1505

- Deferred exploration
- Underground, low ash thermal coal potential
- Located south of Peabody's West Buckland coal deposit

Company Overview

Market Capitalisation (9 Nov 2012)	$14.4m
Shares on issue	903.8m
Options on issue	114.0m
Cash (as at 31 Oct 2012)	$6.46m

Major Shareholders (20 Oct 2012)

Charlotte Investments Pty Ltd	12.62%
Argonaut Equity Partners Pty Limited	6.30%
Skye Equity Pty Ltd	4.92%

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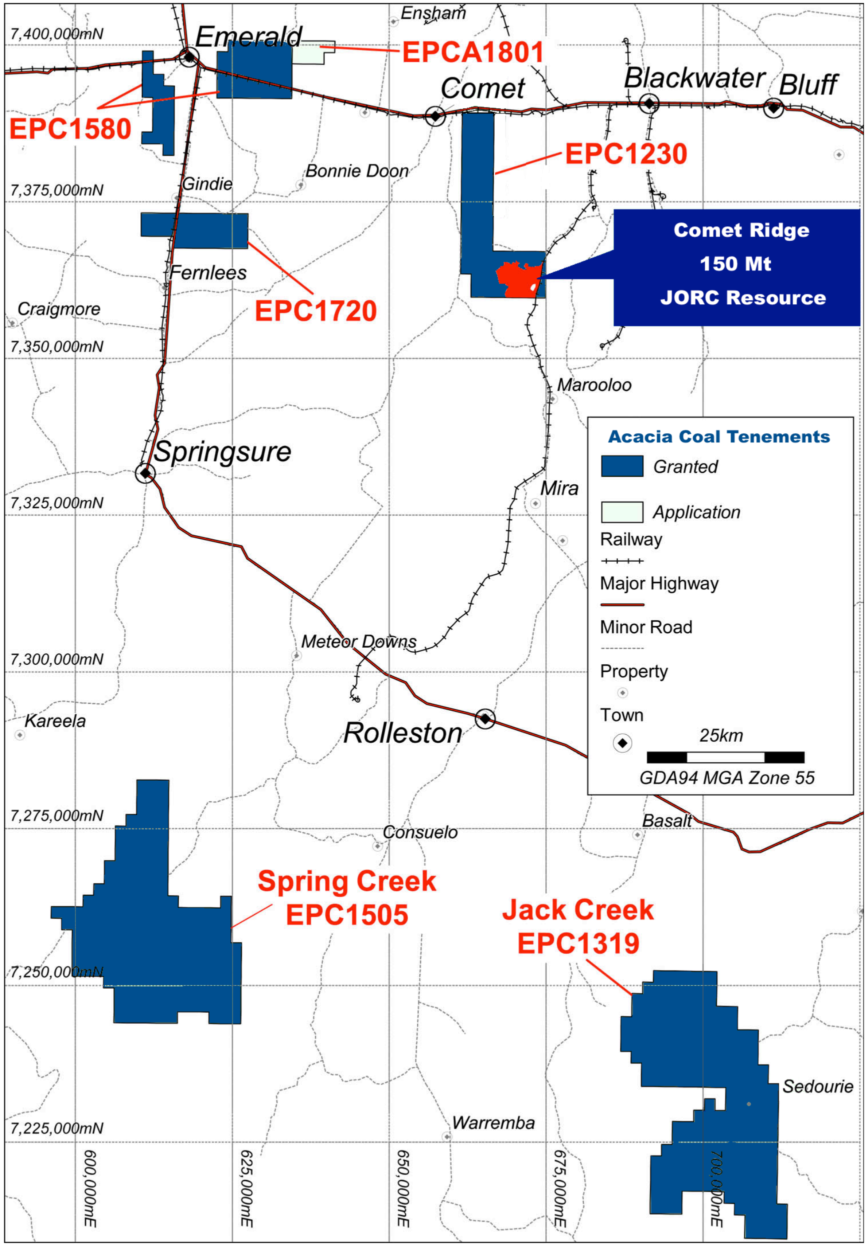
Company Overview

Bowen Basin Tenements

Comet Ridge Project EPC 1230

Other Prospective Areas in Bowen Basin

- Spring Creek (EPC 1505)
- Emerald (EPC 1580)
- Sandhurst Creek (EPC 1720)
- Jack Creek (EPC 1319)



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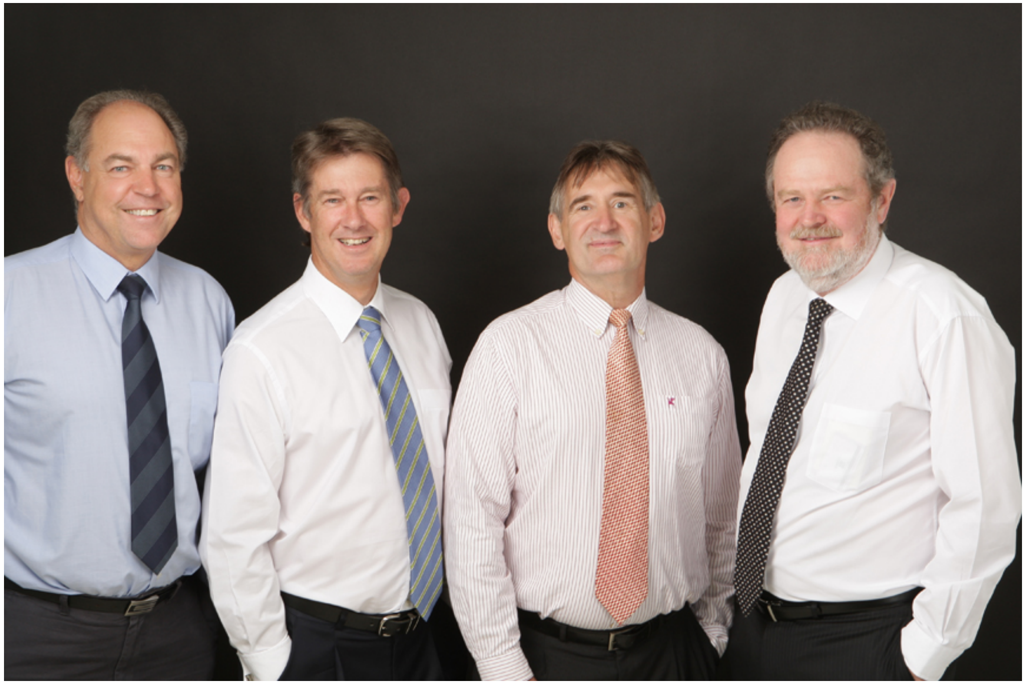
Company Overview

Board and Management

Tim Sugden	Non-Executive Chairman
Gavin May	Managing Director
Michael Mulroney	Non-Executive Director
Amanda Ward	Non-Executive Director
Robert Waring	Chief Financial Officer
Graham Colliss	Chief Projects Officer
Harvey Crowden	Chief Metallurgist

Management Team



(left to right) Graham Colliss, Gavin May, Harvey Crowden, Robert Waring.

Comet Ridge Project

The Fundamentals

- Shallow Open Cut Coal
- Coking Coal
- Proximity to Rail Infrastructure
- Low Capex

JORC Coal Resource – Comet Ridge Oct 2011

Depth Increment	Inferred Resource (Mt)
0 – 50m	50
50 – 100m	100
Total	**150**

2012 Exploration

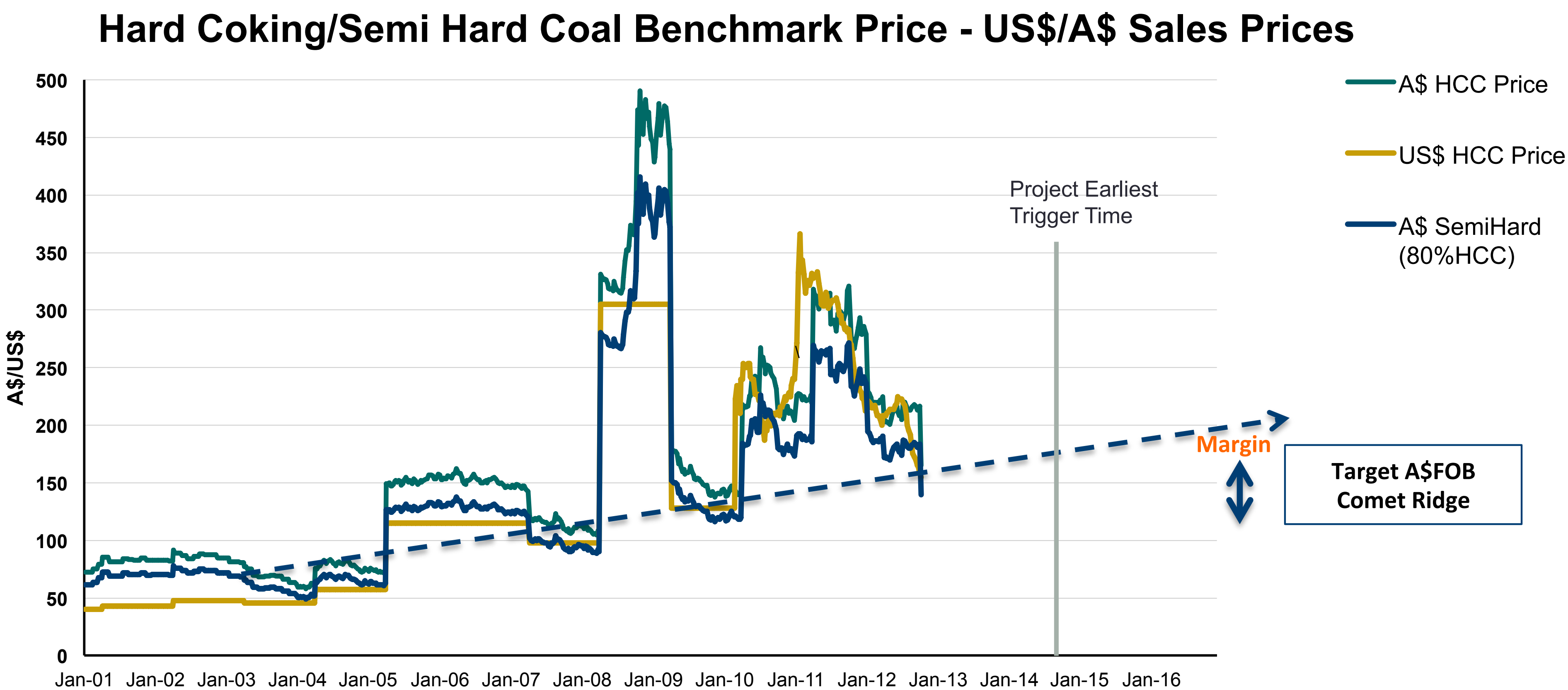
- 2012 Drilling Campaign average drill hole depth 36 metres (2011 – 99 m)
- Fair Hill seam, yield lower than anticipated
- Triumph Seam exploration revealed shallow higher yielding coking coal
- In-pit mining/process strategy confirmed suitable for both seams

Exploration Summary

Year	Drill Holes	Open Hole (m)	Cored (m)	Total (m)	Average Depth (m)
2012	***137***	***4914***	***87***	***5001***	***36.5***
2011	60	4857	130	5987	99.8
Total	**197**	**9771**	**217**	**10988**	

Comet Ridge Project

Commitment – Market Dependent



Source: RBS Morgans

Comet Ridge Project

Plan & Strategy

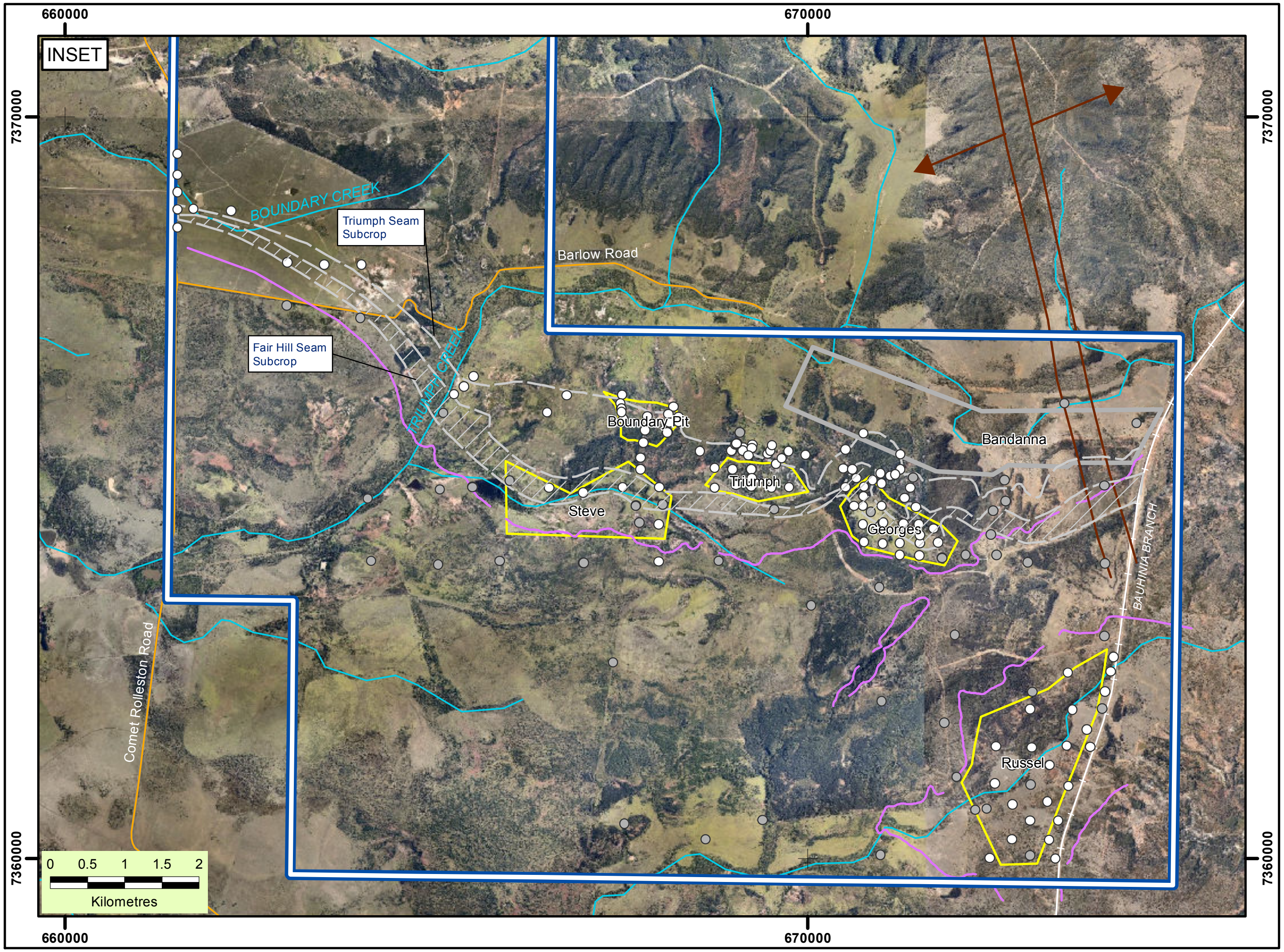
- **Acacia targeting high margin semi hard coking coal**
    - Bankable Feasibility Study by Q4 2013
    - An approved project ready to commence construction by Q4 2014
    - Construction period of 12 months (post approvals)
    - Construction trigger dependent on market conditions and confirmed completion of train loadout facility
- **Focus on Capital Cost reduction**
    - Initial stand alone Capital **$120M**
    - Post Bandanna Agreement, Coal Quality Results

      & Project Optimisation

      circa **$50M**

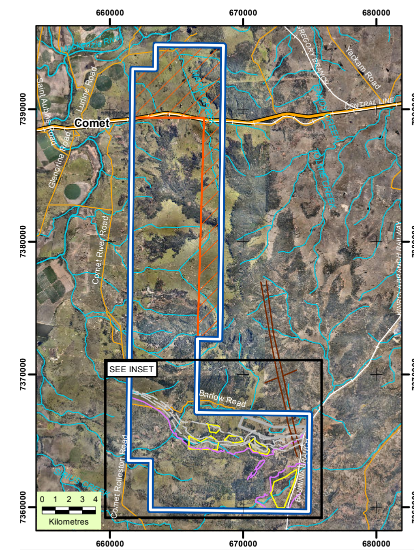
Comet Ridge Project

EPC 1230 Location Plan – Infrastructure & Target Open Cuts



Open Cut Target Pits

- Georges
- Triumph
- Boundary
- Russell
- Steve



LEGEND

- 2011 Drill Holes
- 2012 Drill Holes
- Acacia Coal Tenement (EPC 1230)
- Relinquished Area Sept 2012
- Pit Shell
- Bandanna Infrastructure ML (Proposed)
- Comet Anticline
- 50m Overburden - Fair Hill Seam
- Subcrops
- Railway
- Highway
- Local Roads
- Major Watercourse
- Minor Watercourse

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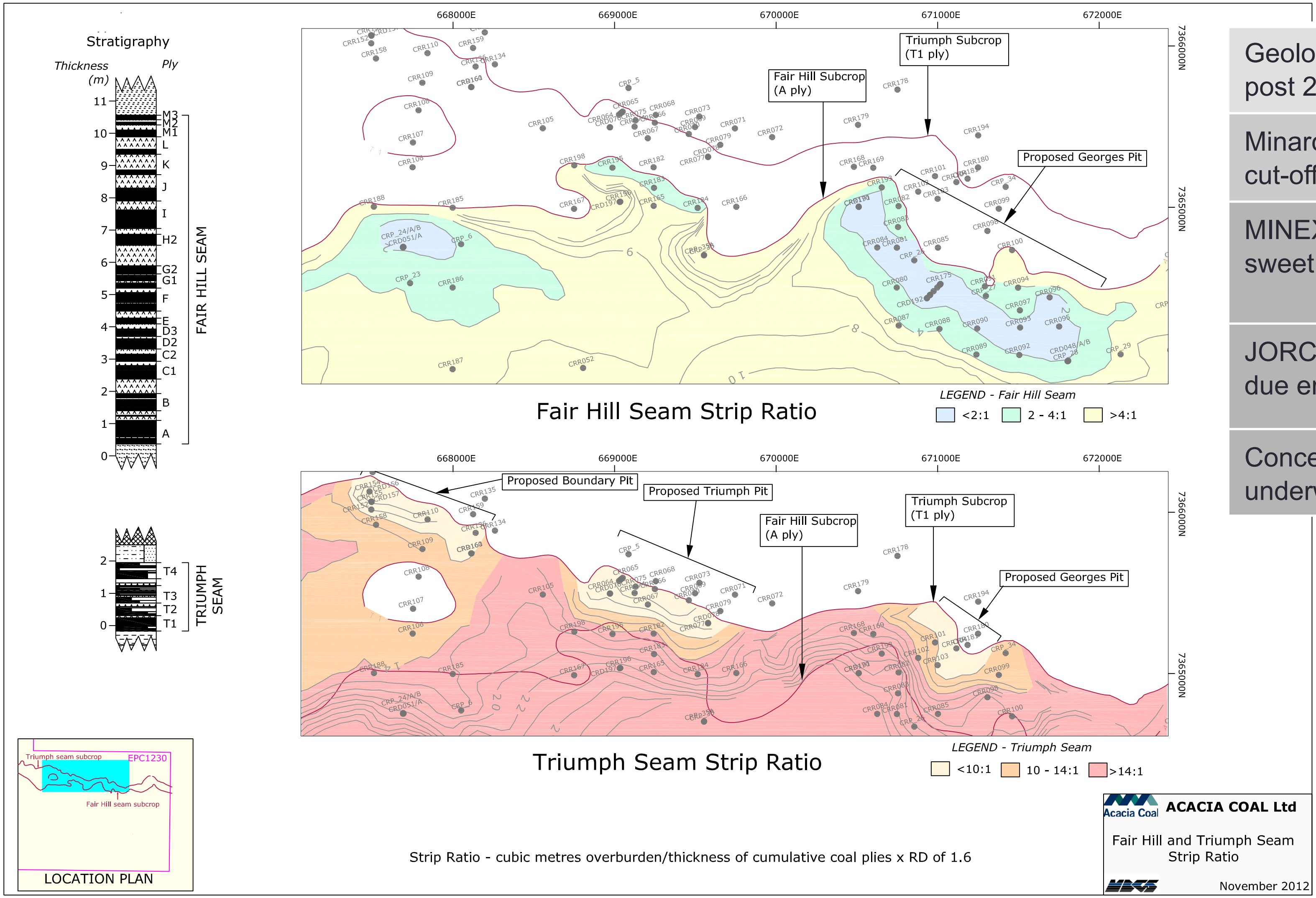
Comet Ridge Project

Geology & Mining Targets



- Geological MINEX Model updated post 2012 drilling
- Minarco providing preliminary depth cut-off economics
- MINEX optimiser defining low ratio sweet spots for open cut pit shells
- JORC Compliant Resource update due end November 2012
- Conceptual mine planning underway

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Infrastructure Agreement with Bandanna Energy (ASX: BND)

Overview

Infrastructure Agreement with Bandanna Energy	• Acacia has entered into a Binding Agreement with Bandanna Energy to share infrastructure • Bandanna to fully fund and build a 14 million tonne per annum train loading facility at Comet Ridge comprising; ▪ rail spur and loop; ▪ train loading bin and stockpiles. • Bandanna to use this facility for its Springsure Creek Project
What it means for Acacia	• Acacia to have: ▪ Major capital and time saving for Comet Ridge Project; ▪ Priority access to 1 Mtpa rail loading and an additional 1 Mtpa (subject to spare capacity); ▪ Connection point for power and use of access roads; ▪ 20 million options in Bandanna – strike price of $1.50 and vesting on Bandanna being granted a mining lease or a change in control in Bandanna.

Substantial capital savings and reduced development time for Comet Ridge

Comet Ridge Project

Comet Ridge Project Development – Indicative Timeframe

Activity / Milestone	CY 2012		CY 2013				CY 2014				CY 2015			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exploration, Testing & Pre-Feasibility	■	■												
Scoping Study, Engineering, Budgets			■	■	■	■								
Environmental Field Studies			■	■	■	■								
Complete Bankable Feasibility Study						■								
Infrastructure ML granted (BND)						■								
Train Load Out construction (BND)							■	■	■	■				
WICET St 1 Terminal Completion Target										◆				
First BND coal railing (WICET dependent)										◆				
Project Pre-Commitment							◆							
Prepare and Lodge MLA, EMP & EA					■	■	■							
Assessment, Objection/Decision Period							■	■	■					
Project Approved									■					
Granting of Mining Lease									■					
Project Commitment to Develop									◆					
Procurement and Construction Period									■	■	■	■	■	
Commence Waste Removal													■	
First Coal – Comet Ridge													◆	

Development milestones dependent on WICET and Bandanna (BND) completion dates

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Achievements and Milestones – Comet Ridge Project

Achievements, past 12 months

- ✓ Rail Infrastructure Agreement signed - Major capital savings
- ✓ Drill campaign completed - > 5000 metres drilled
- ✓ Triumph seam delineation and coking potential confirmed
- ✓ Metallurgy test results confirm concept for mining/processing
- ✓ Preliminary economics encouraging

In Progress – Pre Feasibility

- JORC Resource update – due end November 2012
- Triumph and Fair Hill seam economic depth modelling
- Conceptual mine plans
- Process design

Future Milestones

- JORC Reserve Statement mid 2013
- BFS by end 2013
- Mining Lease Application, EMP & EA early 2014

Outlook

- Challenging Market to Continue in 2013
- Maintain Prudent Cash Management
- Acacia believes in the long term strength of the coking coal market
- Acacia has sufficient funds to advance Comet Ridge beyond BFS
- Acacia aiming to be a coking coal producer
- As coking coal prices recover, Acacia will have approvals in place and be ready to fast track to production
- Continue to look for other coking opportunities

Acacia on target to be a coking coal producer

Acacia Coal

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