



GUILDFORD COAL LIMITED
CHAIRMAN'S ADDRESS TO
EXTRAORDINARY GENERAL MEETING
30 December 2013

A. INTRODUCTION

Ladies and Gentlemen,

Good morning and welcome to the Extraordinary General Meeting for Guildford Coal Limited.

Let me introduce myself – I am Alan Griffiths, Non-Executive Chairman of Guildford Coal Limited and Chairman of this meeting.

As we have a quorum, being a minimum of 5 shareholders, I declare this meeting open.

I propose that after making my preliminary comments and outlining some housekeeping matters for the conduct of this meeting, I will proceed with the more formal aspects of the meeting (as described in the notice of meeting you have all received).

It would be appreciated if you could please turn off your mobile phone now if you have not already done so as a courtesy to your fellow shareholders.

Before proceeding, let me introduce (*to my left / right*) my fellow director

- *Mr Peter Kane, the Group Managing Director*

Also in attendance are *Mr Mark Reynolds, acting CFO of Guildford Coal and representatives of the Company's lawyers, K&L Gates.*

Our auditors, Ernst and Young, were notified of the meeting in accordance with the Corporations Act and are not in attendance today as the business of the meeting does not include financial or audit matters.

Also present is Lee Marshall, a representative of Link Market Services – Guildford Coal's share registrar – who will be acting as returning officer should a poll be called.

We are all very pleased you have joined us today for the meeting and although most of this meeting is, in compliance with the Corporations Act, formal in nature and restricted to the resolutions detailed in the notice of meeting, we hope that afterwards you will join us for informal discussions.

B. NOTICE OF MEETING

Notice of this extraordinary general meeting has been given to shareholders in accordance with Guildford Coal's constitution. In addition a copy of the notice of meeting has been lodged with the Australian Securities Exchange Limited and posted to all shareholders.

Does anyone not have a copy of the Notice of Meeting who would like a copy?

I table the Notice of Meeting dated 25 November 2013 which is taken as read.

I would now like to deal with the business of the meeting.

C. BUSINESS OF THE MEETING

I will now turn to the resolutions to be considered.

RATIONALE FOR THE RESOLUTIONS

This extraordinary meeting is being held to consider:

- the approval for Listing Rule 7.1 purposes of convertible notes and detachable warrants; and
- the approval for all other purposes of convertible notes and convertible note warrants, amortising notes and detachable warrants,

each to be issued by the Company to OCP Asia. The key terms of these notes and warrants are set out in the Explanatory Memorandum.

The detailed terms have been finalised as per the Company's announcement on 23 December 2013.

The issue of such facilities will repay the existing indebtedness to OCP Asia, and be used for working capital purposes in relation to the Company's Mongolian assets.

As stated in the Notice of Meeting, the board of directors recommend shareholders vote in favour of both of the Resolutions.

VOTING ON THE RESOLUTIONS AND PROXIES

I will be following the procedure for conducting shareholder meetings as described in the company's constitution. Broadly, all resolutions to be considered at this meeting will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands.

Voting Procedures

With regard to voting on today's resolution, all Shareholder's, proxyholders, and authorised corporate representatives who are entitled to vote have been issued with green voting cards upon entering the meeting, a green card also entitles you to comment and ask questions in this meeting.

If there is anyone who is entitled to vote and who does not have a green voting card, would you please see one of the Link Market Services' staff at the registration table at the entrance door to the auditorium who will assist you.

Non-voting Shareholder's will have been issued with a purple card upon entering the auditorium – a purple card will not allow you to vote, however you may still make a comment and ask questions.

White cards indicate that the person is a visitor. Visitors and Media are reminded that whilst we welcome you to join the meeting, this is a Shareholder meeting and you are unable to make a comment or ask a question.

When I call upon you, please raise your green voting or purple non voting admission card prior to speaking to identify yourself as a Shareholder. If you are acting as a proxy, please state clearly who you are appointed to represent when introducing yourself to the meeting.

I wish to advise shareholders that the number of proxies received by the company, including those received by fax, as at 11.00 am on Saturday 28 December was 107.

Of the proxies received in time, all proxy votes are deemed valid for the purpose of this meeting, For each resolution, I will inform the meeting of how many proxy votes have been received and how the proxy votes are to be cast on that resolution before a vote is taken.

Before we commence I remind all persons that only shareholders present in person, persons holding valid proxies, and validly appointed corporate representatives have the right to speak and vote at this meeting. If a shareholder has appointed a proxy but is present at the meeting in person, the proxy holder is not entitled to speak or vote.

When voting on a show of hands, please hold up the appropriately colored card.

Should you have questions regarding matters **other than the resolutions before you today**, the Directors and Management of the Company will be available after the close of the meeting to discuss any such matters.

I will now deal with each of the resolutions in turn.

Resolution 1: Approval of the issue of Convertible Notes and Detachable Warrants

As noted previously further information regarding this Resolution is set out in the Notice of Meeting.

The Resolution before you is to consider and if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1, and conditional on the passing of Resolution 2, Shareholders approve the issue and allotment of Convertible Notes with a face value of US\$10,000,000 and the issue and allotment of Detachable Warrants for up to 18.5% of the face value of a US\$55,000,000 issuance of Amortising Notes, each to OCP Asia on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Are there any questions on the resolution?

[If no questions or after questions dealt with]

I now disclose to the meeting the how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 107 valid proxies were received, of which—

- (a) 305,802,235 votes were in favour of the resolution;
- (b) 1,907,561 votes were against the resolution;
- (c) 2,032,600 abstained; and
- (d) 2,034,974 were open, leaving the Chairman of the meeting with discretion as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

With those formalities completed I now move to a vote on a show of hands.

All those in favour?

Those against?

[If there is more than 50% in favour on a show of hands]

I declare the resolution carried

[If there is less than 50% in favour]

As the results on a show of hands does not accurately represent the voting position as at proxy close, - I declare that this resolution be taken as a Poll, which I will take at the conclusion of the meeting.

[If a poll is demanded see notes below. If no poll demanded the move on to next resolution.]

[Where a poll is required announce that the meeting will move on to consider resolution 2 whilst the results of the poll are determined.]

Resolution 2: Approval of the issue of Convertible Notes and Convertible Note Warrants, Amortising Notes and Detachable Warrants

As noted previously further information regarding this Resolution is set out in the Notice of Meeting.

The Resolution before you is to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for all other purposes, and conditional on the passing of Resolution 1, Shareholders approve the issue and allotment of Convertible Notes with a face value of US\$10,000,000 and associated Convertible Note Warrants, Amortising Notes with a face value of US\$55,000,000 and associated Detachable Warrants for up to 18.5% of the face value of the Amortising Notes, each to OCP Asia on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Are there any questions on the resolution?

[If no questions or after questions dealt with]

As before, I now disclose to the meeting the how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 107 valid proxies were received, of which—

- (a) 305,776,235 votes were in favour of the resolution;
- (b) 1,907,561 votes were against the resolution;
- (c) 2,033,600 abstained; and
- (d) 2,059,974 were undirected, leaving the Chairman of the meeting with a discretion as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

Again, I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

[If there is more than 50% in favour on a show of hands]

I declare the resolution carried

[If there is less than 50% in favour]

As the results on a show of hands does not accurately represent the voting position as at proxy close, - I declare that this resolution be taken as a Poll.

[If a poll is demanded see notes below. If no poll demanded then move to conclude the meeting.]

[Where a poll is required for Resolution 2 announce that there will a short pause in the meeting whilst the results of the poll are determined.]

THAT CONCLUDES THE FORMAL RESOLUTIONS WHICH ARE THE SUBJECT OF THIS MEETING.

D. CLOSING OF MEETING

Ladies and Gentlemen, that concludes the formal business of this meeting.

I would like to thank you for attending today and on behalf of Guildford Coal wish all of you and your families the very best for 2014.

We are certainly looking forward to it.

I declare the meeting closed.

ANNEXURE

PROCEDURE WHERE POLL DEMANDED

1. *First, call for a show of hands on the resolution*
2. *Second, if there is either*
 - (a) *any doubt of the result or sense of the meeting; or*
 - (b) *a valid demand for a poll; or*
 - (c) *a result that the Chairman knows or believes is contrary to the recommendation being made by the Chairman,*

then the Chairman should demand a poll.
3. *A valid poll can be demanded by*
 - (a) *the Chairman;*
 - (b) *any 5 members;*
 - (c) *any individual or members holding 5% or more of the vote.*

Directions (Chairman to read as follows)

A poll has been called by me as Chairman of the Meeting in respect of Resolutions []. The poll will now be taken, so I therefore declare the poll open.

All shareholder's and appointed proxies were given green upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either "For", "Against" or "Abstain" shown on the reverse of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be Lee Marshall.

Once you have marked your vote it will be collected by the Returning Officer's staff.

(Pause whilst Securityholders vote)

[Confirm that all ballot papers have been collected. Once confirmed announce]

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will declare the results of the meeting to the ASX once they are available

THAT CONCLUDES THE FORMAL RESOLUTIONS WHICH ARE THE SUBJECT OF THIS MEETING.

CLOSING OF MEETING

Ladies and Gentlemen, that concludes the formal business of this meeting. I would like to thank you for attending today and on behalf of Guildford Coal wish all of you and your families the very best for 2014.

We are certainly looking forward to it

I declare the meeting closed.

I will announce the result once all ballots have been counted.

Adjourn meeting to count results of the poll

Thank you for your patience ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting for approximately 15 minutes.

If Results are announced AFTER the meeting:

The result of the poll will be declared upon conclusion of the counting of votes and will also be released to the ASX.

Announcement of result of poll (If Results are announced during the meeting)

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

Resolution

The number of votes cast FOR Resolution [] was [.....] representing [.....] % of all votes cast.

The number of votes cast AGAINST Resolution [] was [.....] representing [.....] % of all votes cast.

The number of votes cast ABSTAINING was [.....] representing [.....] % of all votes cast.

Accordingly, I declare the motion in relation to Resolution [] **[carried / defeated]** as the required **[50% / 75%]** majority **[has / has not]** been achieved. The results of the poll in respect of Resolution [] will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

[Where a poll takes place for Resolution 1 move on to Resolution 2 while ballots are counted.]

[If a poll is demanded for Resolution 2 then Chairman should wait for the results of the poll before concluding the meeting.]