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19 June 2017

BARALABA COAL COMPANY LIMITED LAUNCHES A PARTIALLY UNDERWRITTEN ENTITLEMENT OFFER TO RAISE UP TO \$78.3 MILLION TO ADVANCE THE RESTART OF PRODUCTION FROM THE BARALABA NORTH MINE

Baralaba Coal Company Limited (**BCL** or the **Company**) today announced a partially underwritten entitlement offer to raise up to \$78.3 million.

Key highlights:

- **2 for 1 pro rata renounceable entitlement offer ("Entitlement Offer") to eligible shareholders of BCL to seek to raise up to \$78.3 million**
 - Eligible Shareholders who take up their entitlement in full may also apply for additional New Shares at the Offer Price in excess of their entitlement
- **Entitlement offer price of \$0.25 ("Offer Price") per new BCL ordinary share ("New Share"), which represents a discount of:**
 - 21.1% to the theoretical ex-rights price of \$0.3167; and
 - 44.4% to the last close price of BCL's fully paid ordinary shares ("**Shares**") on ASX of \$0.45 on 16 June 2017.
- **Major shareholder participation of approximately \$28.7 million (if only the major shareholders subscribe) or approximately \$53 million (if the Entitlement Offer is fully subscribed):**
 - Liberty Metals & Mining Holdings LLC (**Liberty Metals & Mining**) currently holds approximately 44.7% of BCL's Shares and has pre-committed to take up that amount of its entitlement under the Entitlement Offer which will not result in it breaching item 9 of section 611 of the *Corporations Act 2001* (Cth) and has agreed to sub-underwrite any shortfall under the Entitlement Offer up to the number of New Shares that would result in Liberty Metals & Mining's shareholding in BCL not exceeding 49.0% post-completion of the Entitlement Offer (which, assuming the Entitlement Offer is fully subscribed, would equate to approximately \$40 million);
 - Maylion Pty Ltd (**Noble**) currently holds approximately 35.4% of BCL's Shares and has provided a commitment to the Company that it will take up its entitlements under the Entitlement Offer in part, being the number of New Shares it is able to subscribe for, for approximately \$9.3 million at the Offer Price;
 - Harum Energy Australia Pty Ltd (**Harum**) currently holds approximately 4.6% of BCL's ordinary shares and has pre-committed to take up their entitlements in full under the Entitlement Offer (which equates to approximately \$3.6 million);

Together with existing cash reserves, net proceeds from the Entitlement Offer (assuming it is fully subscribed) will be used to fund:

- ~\$23.0 million for road works for capacity upgrade and restart of Baralaba North mine;
- ~\$9.0 million for Baralaba South drilling;

- ~\$31.0 million for working capital, general corporate purposes and costs associated with the Entitlement Offer; and
- \$12.5 million will be set off against amounts owed to Liberty Metals & Mining of which the proceeds were used for road works and working capital (as described immediately below).

Upon successful completion of the Entitlement Offer, \$12.5 million recently borrowed by the Company from its major Shareholder, Liberty Metals & Mining, for the continuation of the road works and working capital, will be set-off, against Liberty Metals & Mining's obligations to pay application monies for New Shares which it subscribes for under the Entitlement Offer.

As noted above, the Company is seeking to raise up to approximately \$78.3 million under the Entitlement Offer and has received commitments from its major shareholders to take up entitlements under the Entitlement Offer to the value of approximately \$28.7 million (or approximately \$53 million if the Entitlement Offer is fully subscribed). The Entitlement Offer is partially underwritten to the extent of the pre-commitment which has been received from Liberty Metals & Mining to participate in the Entitlement Offer and its sub-underwriting of the Entitlement Offer. The Company expects that if the full amount is raised under the Entitlement Offer, it will have the necessary capital to meet the funding requirements associated with the restart of the Baralaba North mine.

BCL's Chairman Mr Peter Richards commented: "The market has seen coking and thermal coal prices remain volatile since the start of the year as a result of Tropical Cyclone Debbie's impact on coking coal supplies, along with better than-expected thermal markets."

"The proceeds of the Entitlement Offer announced today, in combination with the Company's existing cash reserves, will be applied towards Baralaba recommencing mining at the Baralaba North mine" Mr Richards said.

Mr Richards also commented that the support from BCL's major shareholders, Liberty Metals & Mining, Noble and Harum, was crucial and illustrates the high quality nature of the Baralaba North mine asset.

Details of the Entitlement Offer

The Company is conducting a 2 for 1 pro-rata renounceable entitlement offer to holders of Shares in the Company with a registered address in Australia, New Zealand and certain other permitted jurisdictions as at the Record Date ("**Eligible Shareholders**") to raise up to approximately \$78.3 million. This includes offers by the Company exclusively to approved US shareholders of the Company under the US Private Placement (which will comprise part of the Entitlement Offer).

Eligible Shareholders are being offered the opportunity to subscribe for 2 New Shares for every 1 existing Share held at 7.00pm (Sydney time) on Thursday, 22 June 2017, at the Offer Price of \$0.25 per New Share.

Approximately 313 million New Shares will be issued under the Entitlement Offer (assuming the Entitlement Offer is fully subscribed).

Eligible Shareholders who take up their Entitlement in full may also apply for additional New Shares at the Offer Price in excess of their Entitlement ("**Additional New Shares**"). The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Shareholders who do not take up their full Entitlement, and will be allocated in priority to those Eligible Shareholders who apply for Additional New Shares and who hold less than a marketable parcel of Shares (being a holding of \$500 or more of Shares in the Company) to the extent necessary to increase their shareholding in the Company to a marketable parcel. Additional New Shares will, however, only be allocated to Eligible Shareholders if available and to the extent that the Company so determines, in its absolute discretion. The Company may apply any scale-back to applications for Additional New Shares at the discretion of the Directors.

New Shares (and Additional New Shares, if any) issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares on issue, including in respect of entitlement to dividends.

As the Entitlement Offer is renounceable, Eligible Shareholders may sell all or part of their entitlements on ASX at the prevailing market price for the entitlements. The entitlements (i) of Eligible Shareholders (or acquirers of entitlements on ASX) who do not take up some or all of their entitlements or (ii) which would otherwise have been available to ineligible shareholders and have not been sold on ASX by the nominee and then taken up by their acquirers will be offered for subscription at the Offer Price to certain institutional investors on behalf of renouncing Eligible Shareholders and relevant ineligible shareholders through the Entitlement Offer bookbuild to be undertaken by the lead manager to the Entitlement Offer, Ord Minnett Limited. Such Eligible Shareholders, acquirers or ineligible shareholders will not receive any payment or value for such entitlements.

Enquiries

For further information in regard to the Entitlement Offer, please contact the offer information line on 1300 552 270 (local call cost within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8:30am and 5:30pm (AEST), Monday to Friday (excluding public holidays).

Other information

Offers of New Shares will be made under a prospectus which was prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) and lodged with ASIC and ASX today, 19 June 2017 (**Prospectus**). Eligible Shareholders should carefully consider the Prospectus before deciding to apply for New Shares under the Entitlement Offer. Eligible Shareholders who wish to acquire New Shares will need to complete the application form in or accompanying the Prospectus. A copy of the Prospectus is available on the ASX website or can be obtained by contacting Computershare Investor Services Pty Limited on 1300 552 270 (local call cost within Australia) or +61 3 9415 4000 (outside Australia) and will be despatched to Eligible Shareholders on 23 June 2017.

Key dates of the Entitlement Offer

Event	Date
Announcement of Entitlement Offer	19 June 2017
Shares quoted ex-entitlement on ASX (Entitlement trading on ASX begins and deferred settlement trading commences)	21 June 2017
Record Date for the Entitlement Offer	7.00pm (Sydney time) on Thursday, 22 June 2017
Entitlement Offer opens	9.00am (Sydney time) on Friday, 23 June 2017
Mailing of personalised Entitlement and Acceptance Form and this Prospectus to Eligible Shareholders completed	23 June 2017
Entitlement trading on ASX ends	27 June 2017
Entitlement Offer closes	5.00pm (Sydney time) on Tuesday, 4 July 2017
Entitlement Offer Bookbuild (if required)	6 July 2017
Settlement of New Shares and Additional New Shares issued under the Entitlement Offer	10 July 2017
Issue of New Shares and Additional New Shares under the Entitlement Offer	11 July 2017
Despatch of holding statements	12 July 2017
Normal trading of New Shares and Additional New Shares issued under the Entitlement Offer expected to commence on ASX	12 July 2017

All dates and times referred to are based on Sydney time and are subject to change. BCL reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

ENDS

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About Baralaba

Baralaba is an ASX-listed coal mining, exploration and development company. The Company's primary focus is restarting operations at its Baralaba North mine in the Bowen Basin in Queensland, Australia. The Baralaba North mine is a producer of high quality, predominantly ultra-low volatile PCI coal which is exported from Australia for use in the steel making process.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit an offering of the Entitlements and the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the Entitlements and the New Shares referred to herein have been not and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and the New Shares may not be offered or sold to any person in the United States or any person that is acting for the account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

For more information on foreign offer restrictions, see the section titled "International Selling Restrictions" in the Investor Presentation dated 19 June.

Forward looking statements

This announcement contains certain forward-looking statements including statements of current intention, statements of opinion and predictions as to possible future events. Forward-looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the outcome and effects of the Entitlement Offer. Indications of, and guidance or outlook on, future earnings, financial position, performance and strategies are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of BCL and cannot be predicted by BCL. This includes changes in circumstances or events that may cause objectives to change as well as any statements about market and industry trends, which are based on interpretations of current market conditions. They also include general economic conditions, exchange rates, interest rates, regulatory environments, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. This announcement includes forward looking statements in relation to and the Entitlement Offer and BCL's future financial results.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and none of BCL or any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements.