

Quarterly Activities Report

Period Ended 30 September 2013

HIGHLIGHTS

- **September Drilling programme at Comet Ridge completed**
 - **Comet Ridge Environmental Studies progressing**
 - **Cash position \$4.96 million**
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COMET RIDGE PROJECT (EPC 1230)

Acacia Coal Limited (Acacia) is aiming to develop a low capital, shallow open cut mining operation at Comet Ridge, producing a highly marketable semi hard coking coal.

The recent Pre-feasibility study confirmed the Comet Ridge Project (EPC 1230) is feasible.

Acacia has an Agreement with Bandanna Energy (ASX:BND) for the Comet Ridge Project to access the proposed Triumph Creek Train Loading Facility.

Comet Ridge Project

A total of 38 holes, totalling 1,605 metres, were drilled during the recent drilling programme. The drill holes recovered additional Triumph and Fair Hill seam cores for drop shatter testing, coal quality data, geochemical and geotechnical testing. The data is being used to update the geological model and the JORC Resource Statement prior to mine design and release of a JORC Reserve Statement.

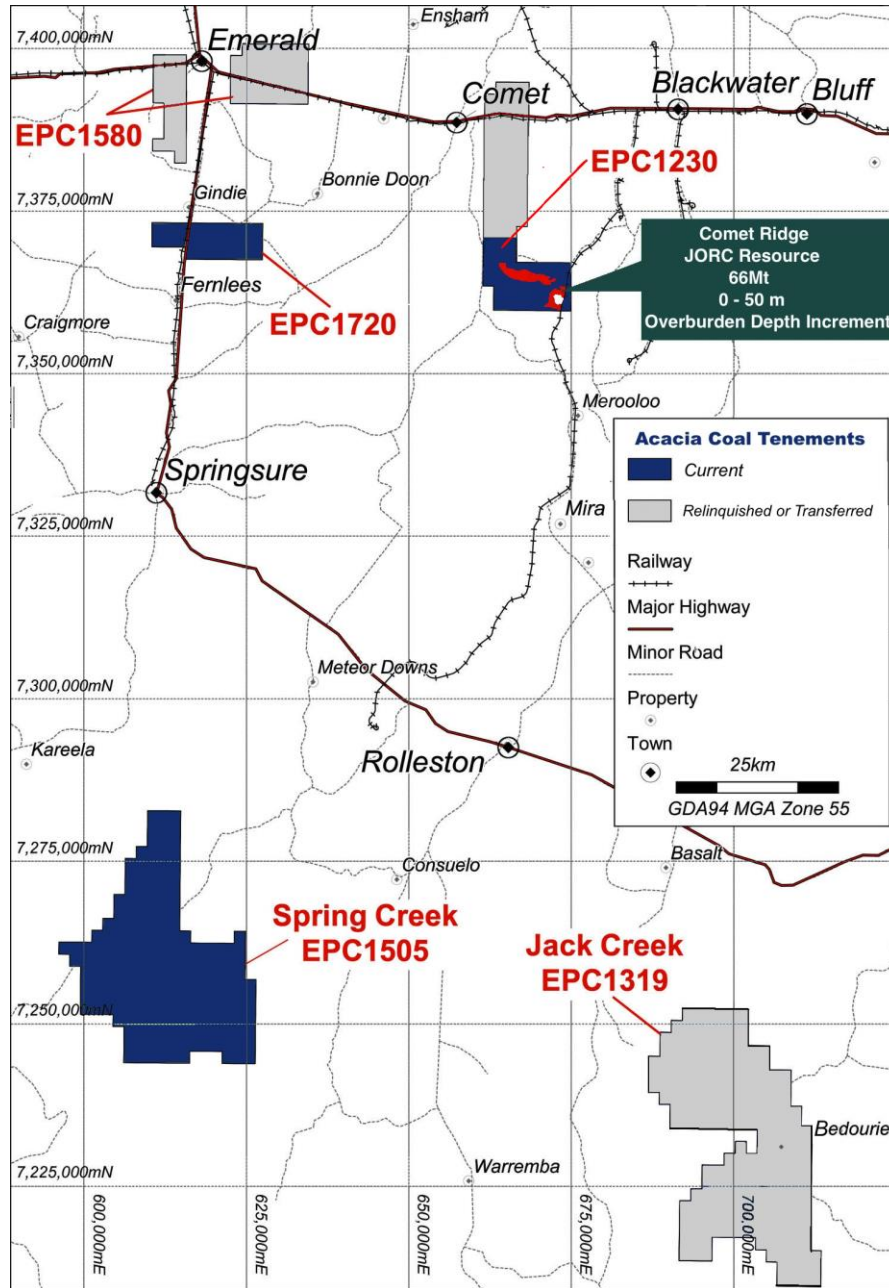
Environmental Studies and Approvals Process

Acacia continues to progress the Environmental and Mining studies required for the Mining Lease application and Environmental Assessment. Progress during the quarter included:

- Flora study completed confirming there are no sensitive areas or areas of concern located within potential mining operations areas.
- Ground water monitoring boreholes have been drilled and piezometers installed.
- Geochemical waste rock characterisation samples have been recovered and analysis is in progress.
- Geotechnical sampling to determine batter angles and waste rock strength.
- Surface water quality sampling.
- Flood studies have been completed.

Bankable Feasibility Study

All studies are contributing to the progressing of the Bankable Feasibility Study due to be completed in early 2014.



EXPLORATION TENEMENTS RATIONALISATION

Acacia, as part of its prudent cash management and business strategy, has elected to review and rationalise its less prospective exploration tenements. Following is an update on the status of Acacia's tenements.

EPC 1230 Comet Ridge

The five year EPC renewal application is awaiting final sign-off by the Queensland Government.

EPC 1319 Jack Creek

The relinquishment of this low ranking tenement is in progress.

EPC 1720 Sandhurst Creek

The future of work on this tenement is under review.

EPC 1505 Spring Creek

A review on this potential large underground thermal coal target is in progress.

CORPORATE

Annual General Meeting

A detailed review of the progress by Acacia will be provided at the Annual General Meeting (AGM) which is being held at the Company's office in Chatswood, Sydney, on Monday 18 November 2013, commencing at 11.30am. A copy of the AGM presentation will be released to the market prior to the commencement of the meeting.

Cash Management

Acacia continues to look to initiate to conserve cash including:

- Seeking shareholder approval to remunerate Non-Executive Directors with shares instead of cash.
- Completing the September drilling programme within budget.
- Continuing to undertake technical studies internally with minimal use of external consultants.

At 30 September 2013 Acacia maintained a strong cash position with \$4.93 million cash at bank.

For more information, please contact:

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Managing Director	Company Secretary / CFO
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E: gavin.may@acaciacoal.com	E: robert.waring@acaciacoal.com

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 report of the matters based on his information in the form and context in which it appears.

ACACIA at a GLANCE

- Acacia Coal Limited is involved in coal exploration and development.
- The Company identifies, acquires and exploits opportunities in coal resources that could be brought into production to provide thermal and coking coal suitable for the export market.
- The Company has a 100% interest in three coal leases located in Queensland's Bowen Basin.
- The Pre-feasibility Study has been completed for the Comet Ridge Project (EPC 1230).

ASX Listing Code: AJC

Directors

Mr Kym Livesley	Non-Executive Chairman
Mr Gavin May	Managing Director
Mr Michael Mulroney	Non-Executive Director
Ms Amanda Ward	Non-Executive Director

Management

Mr Robert Waring	Chief Financial Officer
Mr Graham Colliss	Chief Project Officer
Mr Harvey Crowden	Chief Metallurgist

Registered and Principal Office

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Website and Emails

Please visit Acacia Coal's website for the latest announcements and news: www.acaciacoal.com
 To receive Acacia Coal's announcements by email, email to: info@acaciacoal.com

Issued Capital and Market Capitalisation

At 17 October 2013 Acacia Coal's issued capital was 903,787,924 ordinary shares, 84,000,000 unlisted options exercisable between 5 and 15.5 cents, and 5,000,000 23 June 2014 performance shares. At a share price of \$0.011 (24 October 2013) the undiluted market capitalisation was \$9.9 million.

Number of Shareholders and Major Shareholders

At 17 October 2013 Acacia Coal's had 1,445 shareholders. The share register records the following as major shareholders at 17 October 2013 accounting for 40% of the issued shares:

Shareholder	%
Charlotte Investments Pty Ltd	12.00
Argonaut Equity Partners Pty Limited	6.30
Skye Equity Pty Ltd	4.92
HSBC Custody Nominees (Australia) Limited	3.35
Pershing Australia Nominees Pty Ltd <Argonaut Account>	2.66
UBS Wealth Management Australia Nominees Pty Ltd	2.51
AFM Perseus Fund Limited	2.41
JP Morgan Nominees Australia Limited	2.27
UOB Kay Hian Private Limited <Clients A/C>	1.91
Scott Paul Jones and Rodney Malcolm Jones and Carol Robin Jones <Scopa Family A/C>	1.71

Cash Balance

At 30 September 2013 Acacia Coal's cash balance was approximately \$4.93 million.

Shareholder Enquiries

Matters relating to shares held and changes of address should be directed to the share registry:

Advanced Share Registry Limited

Level 6, 225 Clarence Street, Sydney NSW 2000
 150 Stirling Highway, Nedlands WA 6009

Telephone: +61 2 8096 3502

Telephone: +61 8 9389 8033 Facsimile: +61 8 9389 7871