
Quarterly Activities Report

Period Ended 31 December 2013

HIGHLIGHTS

- Comet Ridge 2013 drilling campaign completed
- Environmental studies progressing towards Mining Lease Application
- EPC 1230 Comet Ridge renewed for five years to 2018
- Acacia maintains prudent cash management, with \$4.28 million in cash

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 Limited (ASX:BND) for the Comet Ridge Project to access the proposed Triumph Creek Train Loading Facility.

Quarterly Activity

Data and samples gathered during the September-October 2013 drilling programme focussed on four main investigation areas:

- Environmental – groundwater, geochemistry and waste rock characterisation;
- Geological – data for the new JORC Resource Report and subcrop definition;
- Coal Quality – dry-processing optimisation and coke strength (CSR) testing; and
- Geotechnical – rock strength and pit design.

Environmental Studies

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

- Commissioning of seasonal terrestrial and aquatic ecological surveys;
- Completion of waste rock geochemical testing confirming that Comet Ridge has no metal issues and predominantly Non Acid Forming (NAF) overburden;
- Completion of geotechnical laboratory testing, confirming that a significant amount of overburden material is weak rock amenable to free digging;
- Routine monitoring of ground water levels in recently installed piezometers; and
- Surface water quality sampling was not possible due to drought conditions.

Bankable Feasibility Study (BFS)

Acacia continues to make progress on the BFS. The Company is closely monitoring announcements by Bandanna Energy (ASX:BND) in regard to its April 2014 target of securing an initial project development funding for its Springsure Creek Coal Mine Project. The Springsure Creek development includes the critical infrastructure of the Rail Loop and Train Loading facilities to which Acacia has access under the Triumph Creek Infrastructure Agreement. Therefore, the BFS cannot be finalised until the Springsure Creek Coal Project funding and timing has been confirmed.

EXPLORATION TENEMENTS RATIONALISATION

As part of its continued prudent cash management, Acacia has elected to rationalise its less prospective exploration tenements. The following is an update on the status of Acacia's tenements.

EPC 1230, Comet Ridge

Confirmation has been received from the Department of Natural Resources and Mines that this EPC has been renewed for a further five years to September 2018.

EPC 1319, Jack Creek

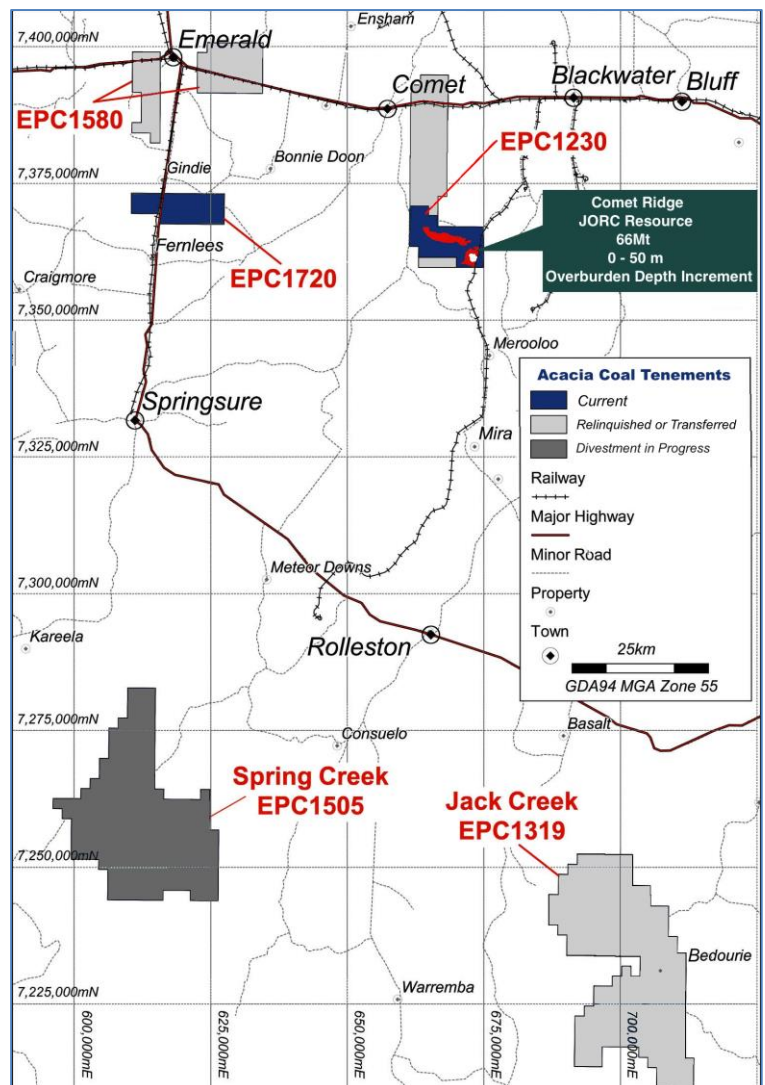
Relinquishment of this EPC is in progress.

EPC 1720, Sandhurst Creek

This EPC remains under review.

EPC 1505, Spring Creek

A decision to divest this EPC has been made on the basis that this area has a high exploration cost requirement, with a very low development potential, given information from regional drilling, the rugged topography and its remoteness to key infrastructure (rail, power, and roads).





CORPORATE

Cash Management

Acacia continues its initiatives to conserve cash. Unfortunately, at the November 2013 Annual General Meeting, shareholders rejected a motion to remunerate Non-Executive Directors with shares instead of cash. Acacia maximises the use of its internal expertise with minimal use of external specialist consultants.

At 31 December 2013 Acacia maintained a strong financial position with \$4.28 million cash at bank.

Release Date: 22 January 2014

For more information, please contact:

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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 'The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the 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 exploration permits covering approximately 720 km² in Queensland's Bowen Basin.

ASX Listing Code: AJC

Directors

Mr Kym Livesley	Non-Executive Chairman
Mr Gavin May	Managing Director
Mr Michael Mulrone	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 Email Address

Please visit Acacia Coal's website for the Company's latest announcements and news: www.acaciacoal.com
Email: info@acaciacoal.com

Issued Capital and Market Capitalisation

At 22 January 2014 Acacia Coal's issued capital was 903,787,924 ordinary shares, 128,000,000 unlisted options exercisable between 2 and 15.5 cents, and 5,000,000 23 June 2014 performance shares. At a share price of \$0.01 (21 January 2014) the undiluted market capitalisation was \$9.04 million.

Number of Shareholders and Major Shareholders

At 17 January 2014 Acacia Coal had 1,448 shareholders. The Share Register records the following as major shareholders at 31 December 2013 accounting for 39.8% of the Company's 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	2.97
Pershing Australia Nominees Pty Ltd <Argonaut Account>	2.77
UBS Wealth Management Australia Nominees Pty Ltd	2.51
AFM Perseus Fund Limited	2.41
JP Morgan Nominees Australia Limited <Cash Income Account>	2.30
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 31 December 2013 Acacia Coal's cash balance was approximately \$4.28 million.

Shareholder Enquiries

Matters relating to shares held and changes of address should be directed to the Share Registry:

Boardroom Pty Limited
Level 7, 207 Kent Street, Sydney NSW 2000
GPO Box 3993, Sydney NSW 2001
Telephone: +61 2 9290 9600 Facsimile: +61 2 9279 0664
Email: enquiries@boardroomlimited.com.au
Website: www.boardroomlimited.com.au