



Wollongong Coal

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The Manager
Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Accelerated Renounceable Entitlement Offer

Further to the trading halt request made by Wollongong Coal Ltd ACN 111 244 896 (**ASX: WLC**) (**the Company**) on 7 April 2014, the Company is seeking to raise up to approximately \$42.84m (before costs) through an accelerated pro rata renounceable entitlements offer of two (2) fully paid ordinary shares in the capital of the Company (**Share**) for every 11 (eleven) Shares held by eligible shareholders at an issue price of \$0.075 per Share (**Entitlement Offer**).

The Company has previously completed, over the past four months, two other rights issues, which has seen a total of \$84,698,551 raised by the Company, predominantly from its major shareholder, the Jindal Group. Similarly it is expected that Jindal Group will support this Entitlement Offer by taking up its full entitlement, by subscribing for \$14.87m pursuant to the institutional component of the Entitlement Offer and \$14.42m under the retail entitlement component of the Entitlement Offer.

Since the rights issue launched in November 2013, the Company has, through those rights issues, managed to:

- (a) pay all unpaid wages to staff and recommence paying staff on time, as should be expected;
- (b) resolve and settle a number of the material claims and disputes that had been brought against the Company;
- (c) restructure a number of its banking facilities and secure additional banking facilities; and
- (d) commence paying its creditors more in line with normal commercial terms.

In addition, the Company has also restructured its management and reduced its workforce, a move which reflects the challenging coal market conditions that the Company is operating in at this time.

The decision to proceed with a new rights issue has not been taken lightly, however the Board considers that further funds are required to continue the progress of the

Company, and that a rights issue is the most expedient and fair and equitable manner of raising those funds.

Unlike the previous rights issues, this Entitlement Offer is being made as a renounceable rights issue, meaning that Shareholders can trade their rights to participate in the Offer on the ASX.

Indicative use of proceeds of Entitlement Offer

The primary purpose of the new Entitlement Offer is to provide funds for payment of interest on bank loans, augment the Company's working capital and meet its ongoing funding needs. Further details on how the proceeds of the Entitlement Offer will be used will be contained in the prospectus which will be despatched to shareholders in accordance with the timetable below.

The Company proposes to use the proceeds of the Entitlement Offer as follows:

Use	Approximate amount to be allocated assuming minimum subscription under the Entitlement Offer (A\$)	Approximate amount to be allocated assuming full subscription under the Entitlement Offer (A\$)
Payment of Interest	\$4.00m (13.66%)	\$4.00m (9.34%)
Meet ongoing funding needs	\$0.12m (0.41%)	\$0.12m (0.28%)
Working capital, administration expenses and expenses of Entitlement Offer	\$25.17m (85.93%)	\$38.72m (90.38%)
Total	\$29.29m	\$42.84m

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.

Summary of the Entitlement Offer

1. The Entitlement Offer comprises two (2) new Shares for every eleven (11) existing Shares held by existing eligible shareholders on the record date in the below timetable at \$0.075 per Share.
2. Up to approximately 571,229,729 Shares will be issued pursuant to the Entitlement Offer, which will take place in accordance with the below timetable and will have 2 components:
 - (a) an accelerated offer to Eligible Institutional Shareholder Investors of up to approximately \$14.87m; and
 - (b) an offer to Eligible Retail Shareholders of up to approximately \$27.97m.
3. Eligible retail shareholders will comprise those shareholders with a registered address in Australia or New Zealand or any other shareholders in other jurisdictions to whom the Company decides to make offers.

4. The Entitlement Offer is not underwritten.
5. Any fractional entitlements arising from the Entitlement Offer will be rounded up.
6. Shares issued under the Entitlement Offer will rank equally with existing Shares on issue on the record date. The Company will make application for official quotation of the new Shares proposed to be issued under the Entitlement Offer. Share entitlements are renounceable and will be tradeable on the ASX or otherwise transferable. Further information in relation to trading of the entitlements will be included in the Prospectus to be despatched to shareholders.
7. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.

Timetable

Further details of the Entitlement Offer, including details on how to accept and key risks of the Entitlement Offer, will be set out in a prospectus which is expected to be released to the ASX and dispatched to shareholders in accordance with the below timetable.

Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlement Offer closing date.

Event	Business Day	Date
Request trading halt before market open Trading halt begins Announce Offer Institutional Offer opens Lodge Appendix 3B for Entire Entitlement Offer	0	7 April
Institutional Offer closes	2	9 April
Trading Halt Ends (after market closes) Company's securities go into suspension (after market closes)	3	10 April
Suspension lifted (before market open) Announce results of Institutional Offer (before market open) Lodge Prospectus with ASIC (before market open) Entitlements under the Retail Entitlement Offer commence trading on a deferred settlement basis Trading of securities resumes on an ex-entitlement basis Record Date for Entitlement Offer (5.00pm Sydney time)	5	14 April



Institutional Settlement Date Notify ASX (by email) of number of shares to be issued under the Institutional Offer (12.00pm Sydney time)	6	15 April
Retail Offer opens Letter to Ineligible Shareholders released and despatched Issue of New Shares under Institutional Offer and despatch of New Shares under Institutional Offer Quotation of New Shares under Institutional Offer	7	16 April
Despatch of Prospectus (including entitlement and acceptance forms)	10	23 April
Rights trading for Retail Entitlement Ends	16	2 May
Securities are quoted on a deferred settlement basis	17	5 May
Retail Offer Closes (5:00 pm Sydney time)	21	9 May
Announce Retail Offer Results	22	12 May
Retail Settlement Date Updated Appendix 3B provided to ASX (if required)	23	13 May
Issue of New Shares under Retail Offer and Despatch Date for New Shares under Retail Offer	24	14 May
Quotation of New Shares under Retail Offer	25	15 May

Application for new Shares under the Entitlement Offer may only be made by completing the Acceptance Form which accompanies the prospectus. Shareholders eligible to participate in the Entitlement Offer should read the prospectus carefully and consult professional advisers as necessary.

Enquiries

Any enquiries regarding the Entitlement Offer should be directed to:

Sanjay Sharma

Company Secretary

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This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer or sale would be illegal. This release may not be distributed or released in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the securities referred to in this release in any jurisdiction outside Australia. In particular, the new shares to be offered in the Entitlement Offer have not been, and none of them will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered, directly or indirectly, to, any person 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.