



29 September 2015

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Madam

Update on ANZ bank guarantee facility

Recently, Australia and New Zealand Banking Group Limited (**ANZ**) has been conducting its scheduled annual review of Cockatoo Coal Limited's A\$81m bank guarantee facility (**LC Facility**). The LC Facility currently provides guarantees required to support the mining operations at Baralaba.

ANZ has indicated to the Company that it is not willing to continue to provide the LC Facility under the current arrangements. The Company awaits formal notice of the outcome of the review from ANZ, which the Company understands should be received by 2 October 2015. Following receipt of that notice, the Company expects to be in a position to further update the market on the likely timing and process in respect of the termination or any restructure of the LC Facility. However, in the interim, the Company is continuing discussions in relation to such matters.

Should you require any further information, do not hesitate to contact me.

Yours sincerely

Martin Lackner

Company Secretary