

MARKET RELEASE

7 September 2017

Allegiance Coal Limited

TRADING HALT

The securities of Allegiance Coal Minerals Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Monday 11 September 2017, or when the announcement is released to the market.

Security Code: AHQ

Wade Baggott

PRINCIPAL ADVISER, LISTINGS COMPLIANCE (PERTH)

Tel: 08 9224 0000



7 September 2017

Ms Anjuli Sinniah Australian Securities Exchange Limited Level 40 Central Park 152 - 158 St George's Terrace PERTH WA 6000

By Email: tradinghaltsperth@asx.com.au

Dear Ms Sinniah

REQUEST FOR TRADING HALT

Pursuant to ASX Listing Rule 17.1, Allegiance Coal Limited (the "Company") hereby requests that the ASX grant a trading halt on the Company's shares with immediate effect pending an announcement to the market in relation to the Results of the Stage 1 Pre-Feasibility Study in relation to the Telkwa Metallurgical Coal Project ("Results of the Stage 1 PFS").

The Company requests that the trading halt remains in place until the earlier of the release of an announcement by the Company about the Results of the Stage 1 PFS and the commencement of normal trading on Monday 11 September 2017.

The Company is not aware of any reasons why the Trading Halt should not be granted.

Yours sincerely

Allegiance Coal Limited

st.

Jonathan Reynolds Company Secretary

For more information, please contact:

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About Allegiance Coal

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company fast tracking a metallurgical coal mine into production in British Columbia, Canada. The Telkwa metallurgical coal project (Project) is the Company's flagship project comprising 148Mt of JORC compliant coal resource of which 131Mt is in the Measured Category. The Project has been the subject of extensive historical exploration and most recently of a pre-feasibility study declaring 43Mt of proven and probable reserves, and positioning the Project in the lowest five percentile of the global seaborne metallurgical coal cost curve.