

21 September 2016

ASX Market Announcements

Australian Securities Exchange

Retail entitlement offer closes

Highlights

- Entitlement Offer raised a total of approximately \$2 million
- Successful completion of Retail Entitlement Offer
- Strong support from shareholders
- New Shares under the Retail Entitlement Offer to be issued on 23 September 2016

Entitlement Offer

On 31 August 2016, Malabar Coal Limited ACN 151 691 468 (**Malabar**) announced an accelerated one for eight pro rata non-renounceable entitlement offer of fully paid ordinary shares in Malabar (**New Shares**) to raise approximately \$2 million (**Entitlement Offer**). The Entitlement Offer comprised an accelerated institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Entitlement Offer was fully underwritten by seven existing Malabar shareholders, including entities associated with current directors of Malabar, being Wayne Seabrook, Hans Mende, Andrew Plummer and Simon Keyser, as well as entities associated with existing shareholders, being Fritz Kundrun, Anthony Haggarty and Allan Davies (**Underwriters**).

The Institutional Entitlement Offer was completed on 1 September 2016 raising approximately \$1.42 million.

Malabar's Retail Entitlement Offer closed at 5.00pm (Sydney time) on 16 September 2016, raising approximately \$0.58 million. Approximately 5,783,776 New Shares will be issued on 23 September 2016 to successful applicants.

Eligible retail shareholders applied for approximately \$1.36 million in New Shares (including under the top-up facility), or 13.6 million New Shares equivalent to approximately 234% of the total Retail Entitlement Offer. The Entitlement Offer was limited to raising approximately \$2 million in New Shares. Given the over-subscription received under the top-up facility, approximately \$0.78 million of the \$0.99 million received through the facility will be refunded to shareholders.

Scale back of top-up facility applications

The Retail Entitlement Offer included a top-up facility under which eligible retail shareholders who took up their full entitlement to apply for additional New Shares in the Retail Entitlement Offer from a pool of those not taken up by other eligible retail shareholders.

The shortfall under the Retail Entitlement Offer has been allocated to eligible retail shareholders under the top-up facility on a pro-rata basis.

As the top-up applications are greater than the shortfall, no shortfall shares will be taken up by the Underwriters. Shareholders who applied but not allocated additional shares under the top-up facility due to over-subscription, will be refunded after the issue of shares for the Retail Entitlement component is finalised.

	New Shares Number million	\$ million
Entitlement Offer Applications including under the top-up facility	27.8	2.78
Institutional Entitlement Offer	(14.2)	(1.42)
Retail Entitlement Offer	(5.8)	(0.58)
Entitlement Offer	(20.0)	(2.00)
Scale back refunds	7.8	0.78

The issue of New Shares under the Retail Entitlement Offer (including under the top-up facility) will occur on 23 September 2016, with the despatch of holding statements to occur on 26 September 2016. New Shares issued under the Retail Entitlement Offer are expected to commence trading on ASX on 26 September 2016. Shareholders who want to trade New Shares issued to them under the top-up facility prior to receiving their holding statement should confirm their allocation before doing so.

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