

MALABAR COAL LIMITED

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ASX: MBC

**ASX Announcement**

**7 September 2016**

**Despatch of letters to shareholders and Retail Entitlement Offer information booklet**

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 comprises an accelerated institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). On 2 September 2016, Malabar announced the successful completion of the Institutional Entitlement Offer raising approximately \$1.42 million.

Malabar is pleased to advise that in accordance with the timetable for the Entitlement Offer, the letters to optionholders and both eligible and ineligible retail shareholders are being dispatched today, copies of which are attached to this announcement. In addition, the information booklet for the Retail Entitlement Offer, a copy of which was lodged with ASX on 2 September 2016, and personalised Entitlement and Acceptance Forms are being despatched to eligible retail shareholders today.

The Entitlement Offer is 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.

For further comment or other information, please contact:

**Wayne Seabrook – Non-Executive Chairman of Malabar**  
**+61 2 8248 1272**



**Wayne Seabrook**  
Non-Executive Chairman  
Malabar Coal Limited

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7 September 2016

Dear Shareholder

### **Malabar Coal Limited fully underwritten Entitlement Offer – notice to shareholders**

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

The Entitlement Offer is 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. The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed on 1 September 2016. Further details of the retail component of the Entitlement Offer (**Retail Entitlement Offer**) are set out in the Information Booklet lodged with ASX on 2 September 2016.

The proceeds of the Entitlement Offer will be applied principally to fund the ongoing development of the Spur Hill Underground Coking Coal Project.

#### **Terms of the Entitlement Offer**

The offer price of the Entitlement Offer will be \$0.10 per New Share (**Offer Price**).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for one New Share for every eight existing shares held 7.00pm (Sydney time) on 2 September 2016 (**Record Date**) at the Offer Price (**Entitlements**).

Malabar will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Information Booklet and notice given in accordance with section 708AA(2)(f) of the Corporations Act have been lodged with ASX and are available to view on the ASX website ([www.asx.com.au](http://www.asx.com.au)). Shareholder approval is not required for Malabar to make the offer under the Entitlement Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares, and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

Eligible shareholders may also apply for additional New Shares in excess of their Entitlement at the same price as under the Entitlement Offer (**Top-Up Facility**). Additional New Shares will only be available under the Top-Up Facility where there is a shortfall between applications for New Shares received from eligible shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. There is no guarantee that applicants under this Top-Up Facility will receive all or any of the shares that they apply for under the Top-Up Facility.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

#### **Proposed timetable \***

Malabar expects that the Entitlement Offer will be conducted according to the following timetable:

<b>Activity</b>	<b>Date</b>
Trading halt (before market open)	<b>31 August 2016</b>
Announcement of Entitlement Offer and Appendix 3B and cleansing notice lodged	<b>31 August 2016</b>
Institutional Entitlement Offer opens	<b>31 August 2016</b>
Institutional Entitlement Offer closes	<b>1 September 2016</b>
Announcement of results of Institutional Entitlement Offer and release of Retail Entitlement Offer documentation to ASX (before commencement of trading following the trading halt)	<b>2 September 2016</b>
Trading halt is lifted, and existing shares resume trading on an ex-entitlement basis	<b>2 September 2016</b>
Record Date for Entitlement Offer (7.00pm (Sydney time))	<b>2 September 2016</b>
Information Booklet and Entitlement and Acceptance Form despatched, and announcement of despatch	<b>7 September 2016</b>
Retail Entitlement Offer opens	<b>7 September 2016</b>
Settlement of the Institutional Entitlement Offer	<b>9 September 2016</b>
Updated Appendix 3B for New Shares issued under the Institutional Entitlement Offer lodged (if required)	<b>9 September 2016 (before 12.00pm (Sydney time))</b>
Expected issue and quotation of New Shares issued under the Institutional Entitlement Offer	<b>12 September 2016</b>
Closing date for acceptances under the Retail Entitlement Offer (5.00pm (Sydney time))	<b>16 September 2016</b>
Announcement of results of the Retail Entitlement Offer and under-subscriptions	<b>21 September 2016</b>
Settlement of the Retail Entitlement Offer	<b>22 September 2016</b>
Expected issue of New Shares under the Retail Entitlement Offer	<b>23 September 2016</b>
Updated Appendix 3B for New Shares issued under the Retail Entitlement Offer lodged (if required), along with other required information (e.g. distribution schedule)	<b>23 September 2016 (before 12.00pm (Sydney time))</b>
Expected quotation of New Shares under the Retail Entitlement Offer	<b>26 September 2016</b>

Activity	Date
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	<b>27 September 2016</b>

\* *This timetable is indicative only. The directors may vary these dates subject to the ASX Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares. The directors of Malabar also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to the issue of the New Shares under the Entitlement Offer. In that event, the relevant application monies (without interest) will be returned in full to applicants.*

### Capital structure

The capital structure of Malabar following the issue of New Shares, assuming the maximum number of New Shares is issued under the Entitlement Offer, will be as follows (ignoring the effect of rounding Entitlements):

<b>Existing shares on issue as at 31 August 2016 (announcement of the Entitlement Offer)</b>	<b>160 million</b>
<b>New Shares to be issued under the Entitlement Offer</b>	<b>20 million</b>
<b>Total number of shares after the Entitlement Offer</b>	<b>180 million</b>

The New Shares will be fully paid and rank equally with existing ordinary shares on issue in the capital of Malabar.

### Eligibility of shareholders to participate in the Entitlement Offer

The Entitlement Offer is only available to eligible shareholders. An eligible shareholder means a registered holder of ordinary shares in the capital of Malabar as at 7:00pm (Sydney time) on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a shareholder that Malabar has otherwise determined is eligible to participate;
- (b) subject to a determination by Malabar as outlined in paragraph (a), is not in the United States and is not a nominee or custodian acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Eligible shareholders will receive an Information Booklet and personalised Entitlement and Application Form.

### Ineligible shareholders

If you are not an eligible retail shareholder you cannot participate in the Retail Entitlement Offer. Malabar will notify those shareholders who are not eligible retail shareholders.

### Further information

If you have any queries, please contact Malabar's share registry, Link Market Services Limited, on 1300 554 474 (within Australia) or +61 2 8280 7100 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday during the offer period, or alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.

On behalf of the directors, I thank you for your continued support of Malabar.

Yours faithfully



**Wayne Seabrook**  
Non-Executive Chairman  
Malabar Coal Limited

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**Important information**

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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7 September 2016

Dear Shareholder

**Malabar Coal Limited fully underwritten Entitlement Offer – notice to ineligible shareholders**

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

The Entitlement Offer is 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 component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed on 1 September 2016. Further details of the retail component of the Entitlement Offer (**Retail Entitlement Offer**) are set out in the Information Booklet lodged with ASX on 2 September 2016.

The proceeds of the Entitlement Offer will be applied principally to fund the ongoing development of the Spur Hill Underground Coking Coal Project.

**Terms of the Entitlement Offer**

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Under the Entitlement Offer, eligible shareholders will be able to subscribe for one New Share for every eight existing shares held 7.00pm (Sydney time) on 2 September 2016 (**Record Date**), at the Offer Price (**Entitlements**).

Malabar will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Information Booklet and notice given in accordance with section 708AA(2)(f) of the Corporations Act have been lodged with ASX and are available to view on the ASX website ([www.asx.com.au](http://www.asx.com.au)). Shareholder approval is not required for Malabar to make the offer under the Entitlement Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares, and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

Eligible shareholders may also apply for additional New Shares in excess of their Entitlement at the same price as under the Entitlement Offer (**Top-Up Facility**). Additional New Shares will only be available under the Top-Up Facility where there is a shortfall between applications for New Shares received from eligible shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. There is no guarantee that applicants under this Top-Up Facility will receive all or any of the shares that they apply for under the Top-Up Facility.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

### **Eligibility of shareholders to participate in the Entitlement Offer**

The Entitlement Offer is only available to eligible shareholders. Malabar has determined under ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act that it would be unreasonable to make offers to shareholders in all countries in connection with the Retail Entitlement Offer. Accordingly, this letter is to inform you that Malabar has determined that you are not an eligible shareholder and you are therefore ineligible to apply for the New Shares. You are not required to do anything in response to this letter.

A person is eligible to participate in the Entitlement Offer as an eligible shareholder where the person is a registered holder of ordinary shares in the capital of Malabar as at 7.00pm (Sydney time) on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a shareholder that Malabar has otherwise determined is eligible to participate;
- (b) subject to a determination by Malabar as outline in paragraph (a), is not in the United States and is not a nominee or custodian acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

As you do not satisfy the criteria for eligibility, Malabar is unfortunately unable to extend the Entitlement Offer to you.

New Shares equivalent to the number of New Shares you would have been entitled to if you were an eligible retail shareholder will be allocated to eligible retail shareholders who subscribe for New Shares in excess of their entitlement under the Retail Entitlement Offer or in accordance with the underwriting agreement between Malabar and the Underwriters.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of any New Shares that would have been offered to you if you were eligible.

### **Further information**

If you have any queries, please contact Malabar's share registry, Link Market Services Limited, on 1300 554 474 (within Australia) or +61 2 8280 7100 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday during the offer period, or alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.

On behalf of the directors, I thank you for your continued support of Malabar.

Yours faithfully



**Wayne Seabrook**  
Non-Executive Chairman  
Malabar Coal Limited

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7 September 2016

Dear Optionholder

### Malabar Coal Limited fully underwritten entitlement offer – notice to optionholders

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

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The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

### **Your options do not entitle you to participate in the Entitlement Offer**

The purpose of this letter is to give you notice that your options do not entitle you to participate in the Entitlement Offer. Accordingly, the shares underlying your options will not be counted as part of your Entitlement under the Entitlement Offer.

### **Further information**

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On behalf of the directors, I thank you for your continued support of Malabar.

Yours faithfully



**Wayne Seabrook**  
Non-Executive Chairman  
Malabar Coal Limited

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