



**Malabar Coal Limited
Investor presentation - Project Update**

November 2013

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- The Probable Marketable Coal Reserve of 69 Mt is derived from the Probable Coal Reserve of 91 Mt based on an average yield of 76% from the Whynot seam and 79% from the Bowfield seam. These average yields are derived from laboratory yields ranging from 80% to 85% adjusted for mining dilution and moisture adjustments.

Corporate Overview



- Malabar Coal is an Australian coal exploration and development company focused on the Spur Hill Underground Coking Coal Project.
- The Project consists of a large deposit that will be developed as an underground mine producing; low ash soft coking coal, semi-soft coking coal, and export thermal coal for more than 20 years.
- Planned mine production is 6 to 8 million tpa Run-Of-Mine (ROM).
- Spur Hill is located in the Hunter Valley region of NSW.
- As at 30 September 2013 Malabar Coal had a 33.4% interest in the Project with the right to increase to 80%.
- The board and management have extensive experience with a track record of constructing and operating new coal mines.

Market information

ASX Code	MBC
Total shares on issue	85,000,000
Options on issue	1,075,000
Cash as at 30 September 2013	\$10.6 million



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Progress highlights since IPO



Milestones achieved since the IPO of Malabar Coal in March 2013:

- **Resource upgrades**
 - The category of Indicated Resources has increased more than three-fold from 117 million tonnes to 394 million tonnes.
 - Total Resources are estimated at 626 million tonnes.
- **Mine planning**
 - Completed mine planning for the initial seams to pre-feasibility stage. This included a thorough review of the mine plan and optimisation.
- **Maiden Reserve Estimate**
 - 91Mt of Probable Reserves (which are calculated on only the initial Whynot and Bowfield seams).
 - Total Reserves are expected to increase as more field work, engineering work, and other studies are completed.
- **Project permitting progress**
 - Comprehensive environmental field work and studies completed or well advanced.
 - NSW State Government released Gateway criteria in October 2013.
 - Malabar will lodge an application for a Gateway Certificate in the near future.
- **Strategic property acquisitions**

Key outcomes

A single longwall (rather than two) capable of producing 6-8 Mtpa so;

- *Reducing capital cost to \$800m - \$920m (previously \$1200m), and;*
- *Reducing operating cost from \$60/t FOB to \$57/t FOB (ex royalties)*

Resources and Reserves



- Indicated Resources have risen to 394 million tonnes reflecting the increasing geological confidence in the deposit.
- Malabar has undertaken the necessary technical, engineering and other studies to support the maiden/interim Reserves Estimate for the Project.
- The Probable Reserves Estimate of 91 million tonnes has been calculated for just two seams (Whynot and Bowfield) that will be mined in the initial years of the mine's life.
- As further field-work and studies are undertaken, more Resources are expected to be converted into Reserves so underpinning the Project beyond 20 years.
- Reserves and Resources were prepared to the JORC Code (2012).

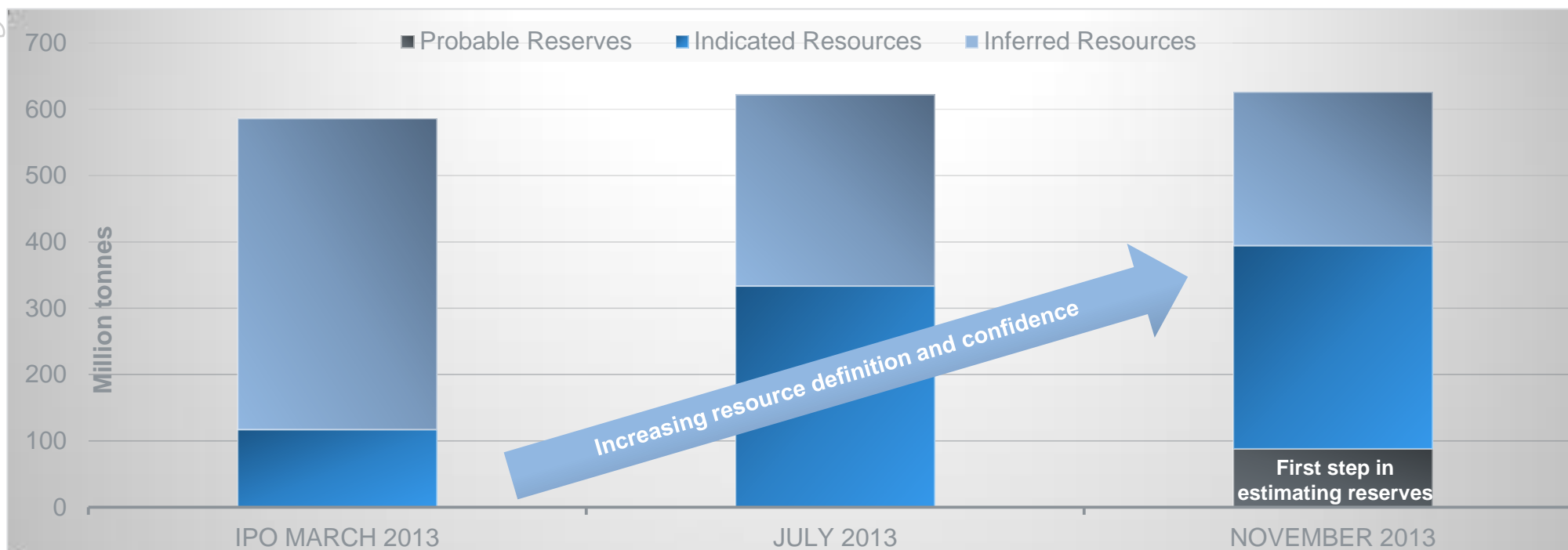
100% basis	Maiden Reserves		Resources				
	Western (Underground) Zone		Western (Underground) Zone		Eastern Zone	Total	
Seam	Probable Reserve (Mt)	Probable Marketable Reserve (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	Inferred (Mt)	Mt
WL2			0.0	46.8	46.8	0.0	46.8
WL1			0.0	22.0	22.0	0.0	22.0
Whybrow			58.5	1.2	59.7	1.8	61.5
Redbank Ck Upper			0.0	0.0	0.0	3.8	3.8
Redbank Ck Middle			0.0	0.0	0.0	3.7	3.7
Redbank Ck Lower			51.3	0.7	52.0	6.2	58.2
Wambo			38.1	4.3	42.4	16.0	58.4
Whynot	78	59	104.5	5.3	109.8	23.0	132.8
Glen Munro			14.7	0.5	15.2	1.6	16.8
Arrowfield			14.6	0.0	14.6	0.0	14.6
Bowfield	13	10	34.0	2.5	36.5	21.7	58.2
Warkworth			78.7	26.6	105.3	23.4	128.7
Mount Arthur			0.0	9.3	9.3	11.1	20.4
Total	91*	69	394.4	119.2	513.6	112.3	625.9

In certain locations, the Wambo and Whynot seams merge, providing an opportunity to mine together to optimise coal quality and yield. However, for the purposes of this initial reserve estimate, the mine plan has considered solely the Whynot seam in the Wambo/Whynot zone.

* Probable Reserves include 0.1m of out-of-seam dilution which is removed in the CPP.

Initial seams
 Targets for subsequent mining

Increasing resource confidence



Product coal quality

- The coal qualities that can be produced are; low ash soft coking coal, semi-soft coking coal, and export thermal coal.
- Low ash soft coking coal can be sourced from the Wambo and Whynot seams with product ash levels of c. 5%, sulphur of <0.45%, and CSN of 4 to 5.
- Other target seams will produce varying proportions of benchmark semi-soft coking coal and export thermal coal.

Mine Plan Update



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- Completion of the drilling program provided the basis for a thorough review of the Project's mine plan.
- Key inputs into this review included;
 - Geological and geotechnical data;
 - Accurate logging of seam characteristics;
 - Engineering studies of surface and infrastructure options;
 - Longwall productivities being achieved by peers, and;
 - The advances in mining technology and productivity enhancements.
- The key outcome has been the change from 2 longwalls producing 6 to 8 Mtpa ROM, to a single higher productivity longwall. This results in lower capital and operating costs.
- The table compares the revised mine plan with that presented in the IPO prospectus (March 2013).

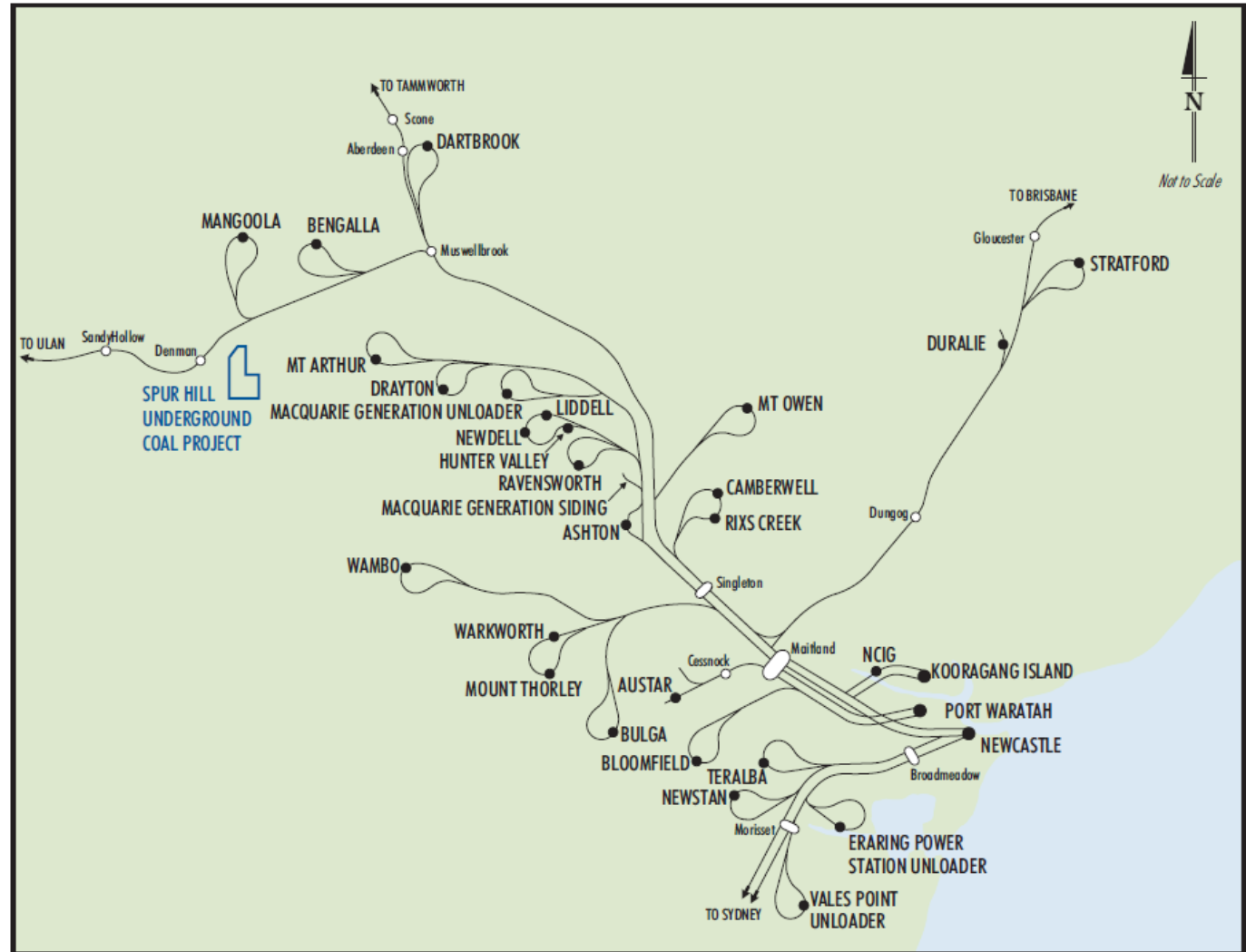
March 2013	November 2013	Commentary
<ul style="list-style-type: none"> • Two longwalls with 2nd wall commencing 3 years after first. • ROM production ramping up from 3 - 5Mtpa to 6 - 8 Mtpa. 	<ul style="list-style-type: none"> • Single longwall • ROM production of 6 - 8 Mtpa. 	<ul style="list-style-type: none"> • Reduces capital cost • Simplifies mine operations so reducing operating costs.
Capex		
<ul style="list-style-type: none"> • Estimated capex for development of 1st longwall of c. \$800m. Includes pre-development costs and 15% contingency. • Est. additional capex of \$400m to develop 2nd longwall • Total construction capex of \$1,200m to develop operation capable of 6-8mtpa ROM 	<ul style="list-style-type: none"> • Est. construction capex for development of single longwall and larger CPP capable of ROM feed of 6-8mtpa is \$800m - \$920m. (Includes remaining pre-development costs and 15% contingency.) 	<ul style="list-style-type: none"> • Further capex savings can be expected given; • current cost re-basing being experienced in the coal sector. • refinement of the coal preparation plant (CPP) design • optimisation of coal transfer to rail loop.
Opex		
<ul style="list-style-type: none"> • Average life of mine operating cost of \$60/product tonne (FOB) ex royalties. 	<ul style="list-style-type: none"> • Average life of mine operating cost of \$57/product tonne (FOB) ex royalties. 	<ul style="list-style-type: none"> • There may be opportunities to reduce operating costs given the current cost re-basing being experienced in coal sector.

Rail



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- Project ideally located within 5km of the Hunter Valley Rail Network
- Multiple load points are available to Spur Hill, including:
 - A standalone rail loop; and
 - Rail sharing options with the various existing and proposed mines in the local area
- Planned increases in rail capacity are expected to be sufficient for Spur Hill's production



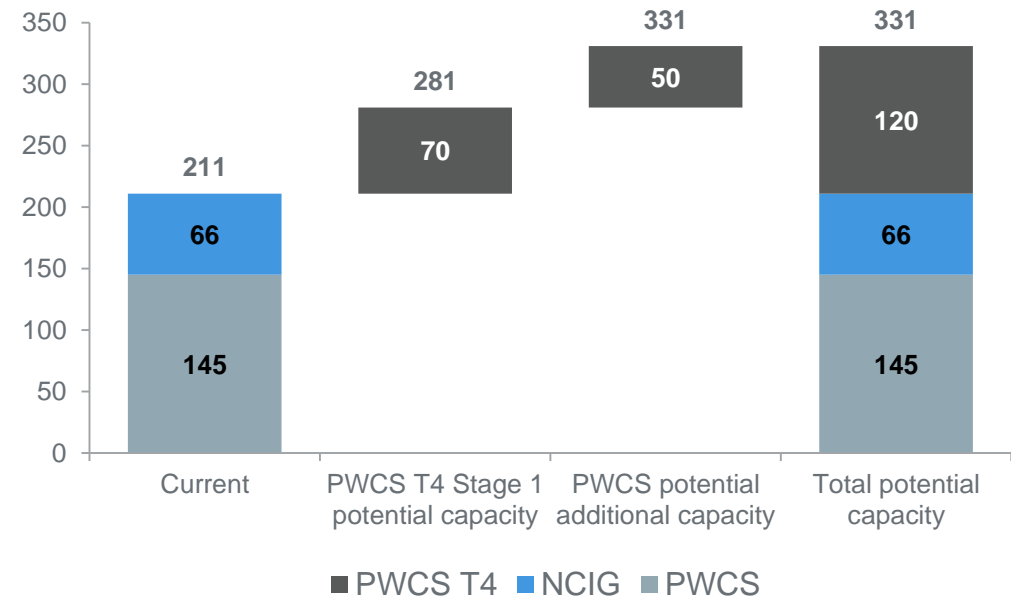
Source: Hunter Valley Coal Chain Coordinator, Malabar Coal

Port



- The Port of Newcastle is 120 to 140 km from Spur Hill
- At Newcastle there are three coal terminals operated by two terminal operators, namely;
 - Port Waratah Coal Services (“PWCS”)
 - Newcastle Coal Infrastructure Group (“NCIG”)
- Under the “Long Term Commercial Framework Agreement” that governs the operation PWCS, they must provide capacity even if that requires a terminal expansion to meet that demand.
- In May 2013 PWCS announced that forecast shipping tonnages had reduced to the extent that there was no need for the proposed T4 expansion. However they would seek development approval for T4 should extra port capacity be required at some time in the future.
- Hence Malabar is confident that sufficient port capacity will be available to meet the needs of the Project.

Port of Newcastle Capacity



Permitting - Gateway Process



What does the Gateway Process apply to?

- All new significant mining projects in NSW on Strategic Agricultural Land must pass through the “Gateway”.

What is Strategic Agricultural Land (SAL)?

- 2 categories of SAL identified : (1) Biophysical SAL and (2) Critical Industry Clusters (CICs) – CICs in the Upper Hunter are the viticulture and equine industries.

What is the Gateway Process?

- Prior to lodging a Development Application (DA) a proponent must lodge a Gateway application which will be assessed by the Gateway Panel.
- The Gateway Panel will either issue an unconditional Gateway Certificate, or a conditional Gateway Certificate whereupon the conditions must be addressed in the DA.

What is the timeline for the Gateway Process?

- The statutory period for issuing a Gateway Certificate is 90 days (plus potentially a further 30 days if additional information is sought.)

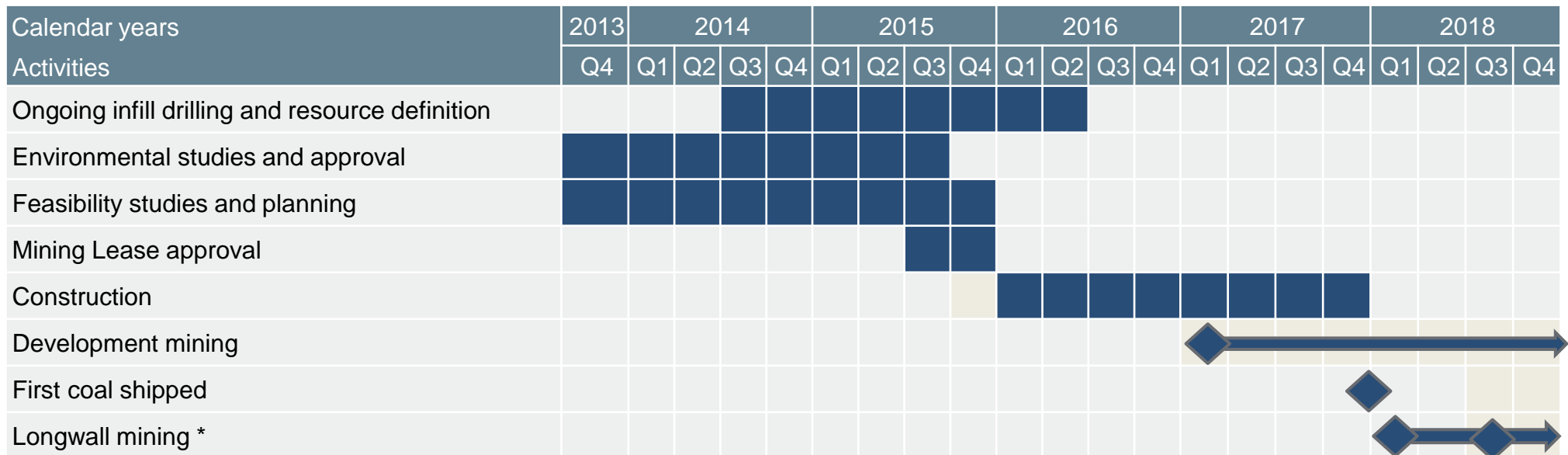
How does the Gateway Process affect the Spur Hill Underground Coking Coal Project?

- Certain parts of the Spur Hill exploration licence are covered by the equine and viticulture industry clusters – hence the Project will be subject to the Gateway. This has been known since the original Strategic Regional Land Use Plan was released in September 2012.
- Malabar is pleased the Gateway terms of reference have now been released and will be lodging a Gateway application for the Project in the near future

Project timeline



- Initial resource definition drilling finished, with 26 fully-cored holes completed since the beginning of 2012.
- On 3 October 2013 the NSW Government announced the formation of the Gateway Panel and timelines for assessment. Our permitting progress had been delayed prior to these announcements.
- Malabar will lodge a Gateway application in the near future.
- Malabar aims to submitting a DA and Environmental Impact Statement in mid CY2014.



* Longwall mining to commence Q1-Q3 CY2018

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Malabar contributes to the local community



Denman Children's Centre



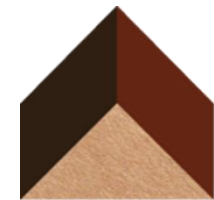
Denman Rugby League Football Club



Denman & Sandy Hollow Junior Rugby League



Upper Hunter Education Fund



Australian Men's Shed Association
SHOULDER TO SHOULDER

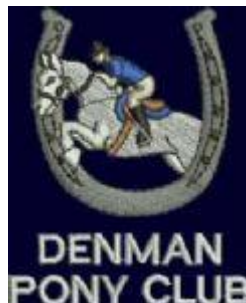


NSWMC EnviroSMART Grant
St Joseph's School Denman

Denman Aged Care



Dalswinton Rural Fire Service



DENMAN PONY CLUB

Denman & District Development Association **Denman News**

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An experienced team



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Board

Wavne Seabrook – Chairman



- More than 30 years of resources sector experience across all facets including; exploration, mine approvals, project construction, operations, project funding, and corporate finance.

Hans Mende – Non-Executive Director



- President and founder of AMCI
- Extensive experience as a director of resources companies

Andy Plummer – Non-Executive Director



- Over 35 years experience in the investment banking and mining industries
- Previously executive director of Whitehaven Coal and Excel Coal

Simon Keyser – Non-Executive Director



- Over 20 years of finance sector experience, specialising in the resources and energy sectors

Tony Galligan – Non-Executive Director



- Over 40 years experience in the Australian coal industry
- Previously Chairman of NCIG and General Manager Infrastructure at Whitehaven Coal

An experienced team



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Management

Peter Doyle – Chief Executive Officer



- Over 25 years experience in the coal sector
- Specific experience in project approvals and pre-development activities for coal projects in NSW

Graeme Booth – CFO & Commercial Manager



- Chartered Accountant with a broad range of finance, commercial and coal experience over 20 years
- Most recently Group CFO of Ambre Energy Limited

Ian Morgan – Company Secretary



- Chartered Accountant and Chartered Company Secretary, with over 30 years of experience
- Company Secretary of a number of other publicly listed companies

Bill Dean – Engineering Manager

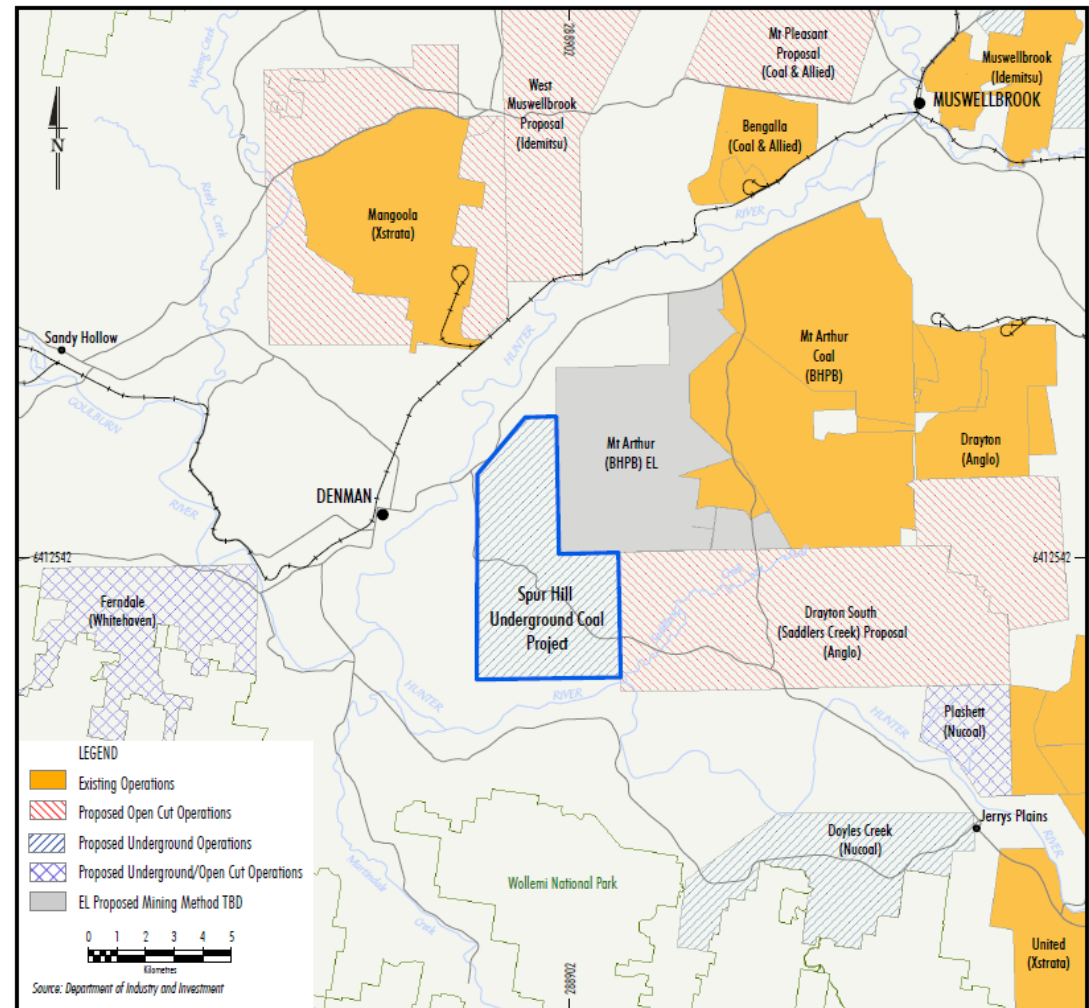


- Over 35 years of experience in the mining industry in senior site management roles

Spur Hill Underground Coking Coal Project



- ✓ **Large coking coal project** – 626Mt JORC Resources. Targeting 6-8 Mtpa ROM over a 20+ year mine life
- ✓ **High quality, well-known coal seams** – includes; low ash soft coking coal, semi-soft coking coal and export thermal coal.
- ✓ **Proximity to infrastructure** – adjacent to established mines in the Upper Hunter Valley, within 5km from rail.
- ✓ **Competitive operating costs** – expected average life of mine operating cost of \$57/ FOB tonne (excluding royalties).
- ✓ **Opportunity for growth** – experienced team with potential to identify and acquire other assets at low point in cycle
- ✓ **Scarcity of high quality coal investments** – few opportunities match Malabar's potential.



Source: Department of Industry and Investment, Malabar Coal

Competent Persons' Statements



- **RESOURCES ESTIMATE COMPETENT PERSON STATEMENT** The information in this Presentation that relates to Exploration Results and JORC Mineral Resources for the Spur Hill Coal Project is based on information compiled by Mr Darryl Stevenson. Mr Darryl Stevenson is the Principal Geologist and employee of Geological and Mining Services Australia Pty Ltd, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Darryl Stevenson is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The relationship between the Estimator and the Project owner is that of independent consultant. Mr Darryl Stevenson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- **RESERVES ESTIMATE COMPETENT PERSON STATEMENT** The information in this Presentation that relates to JORC Ore Reserves for the Spur Hill Underground Coking Coal Project is based on a Reserves Estimate that has been prepared by Mr Jeremy Busfield, Principal Mining Consultant of MineCraft Consulting Pty Ltd. Mr Busfield holds a Bachelor of Mining Engineering degree from the University of Queensland, is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Registered Professional Engineer of Queensland (Mining) (RPEQ 10285). Mr Busfield has worked in various planning, operational and consulting roles for the underground coal industry for 27 years and as such qualifies as Competent Person under the JORC Code 2012. The relationship between the Estimator and the Project owner is that of independent consultant. Mr Busfield consents to the inclusion in this report of the matters based on his information and in the form and context in which it appears.