



**Malabar Coal Limited
Spur Hill Underground Coking Coal**

AGM PRESENTATION

27 November 2014

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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

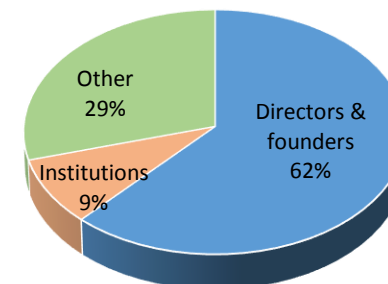
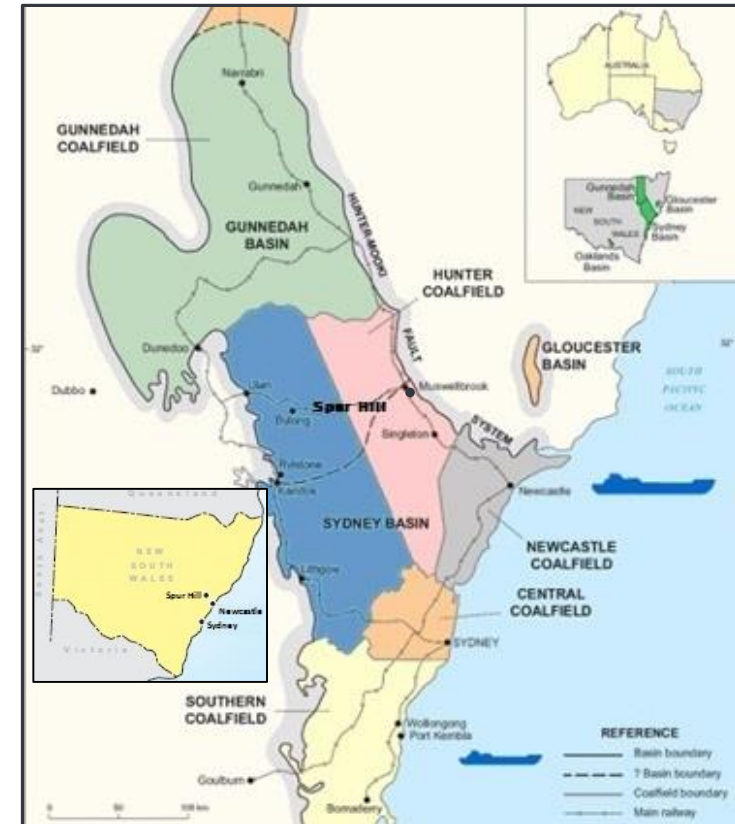


Malabar Coal Ltd is an ASX-listed coal company focused on the Spur Hill Underground Coking Coal Project ('Project') located in the Upper Hunter Valley of NSW.

Project highlights:

- ✓ Total JORC mineral resources of 626 million tonnes.
- ✓ Planned high productivity (6 to 8 million tonnes per annum ROM) underground longwall development.
- ✓ 20yrs+ planned production of low ash soft coking and low ash export thermal coals.
- ✓ As at 30 September 2014 Malabar Coal had a 36.58% 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 globally and in NSW particularly.

No. of shares in issue	85,000,000
Share price (26/11/14)	10c
Market Capitalisation (26/11/14)	\$8.5m
Cash (30/9/14)	\$4.9m



Share ownership

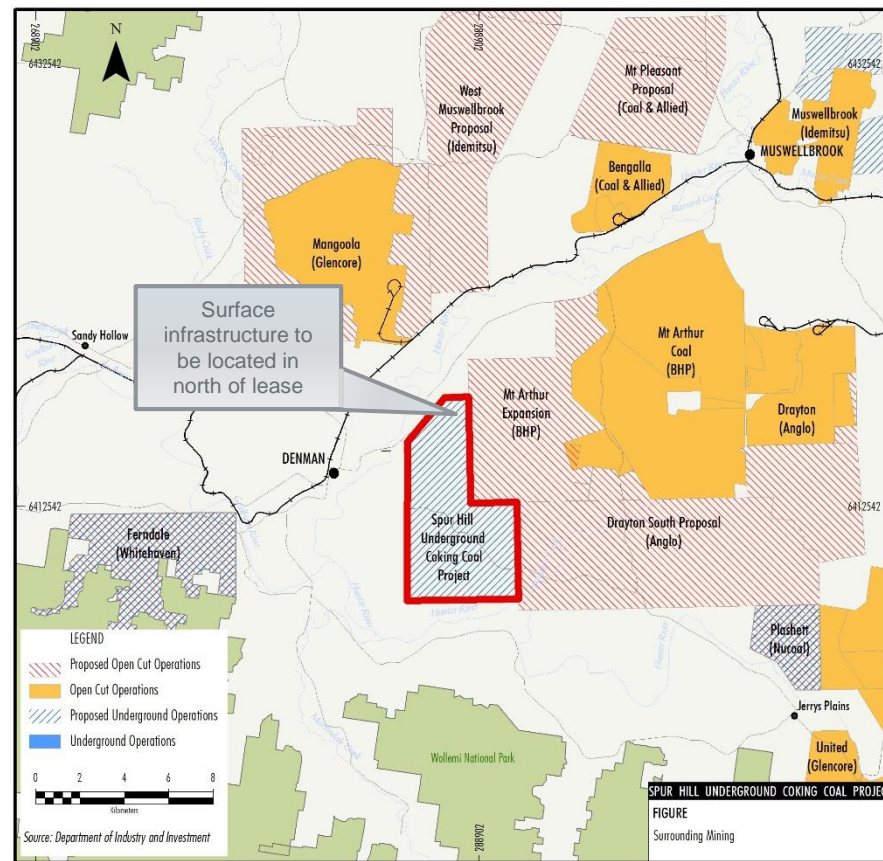
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Project status



Key Project Achievements post-IPO

Substantial Resources estimated to JORC (2012) standard	✓
Pre-Feasibility Study completed	✓
Initial/maiden Reserves estimated to JORC (2012)	✓
Permitting progress: <ul style="list-style-type: none"> • Gateway Certificate received • Preliminary Environmental Assessment and Request for Environmental Assessment Requirements (EAR's) lodged • EAR's received 	✓ ✓ ✓
Key properties on the Exploration Licence acquired	✓
Community Consultative Committee (CCC) established	✓
Transport corridor options in place	✓
Mining Lease Applications submitted	✓



Current focus on completion and submission of Environmental Impact Statement and Development Application in first half of 2015.

Key Project Parameters



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Key parameters	Details from PFS, JORC Reserve Reports and actual Permitting Progress
Coal Resource	626 million tonnes of which 394 million tonnes are Indicated
Mining method	Longwall
ROM coal production	6 to 8 million tonnes per annum
Clean coal production	4.8 to 6.4 million tonnes per annum of export low ash soft coking coals and low ash thermal coal
Access to market	Existing rail and port <ul style="list-style-type: none"> • <i>Provides competitive ex-mine costs of c. A\$10/t FOB</i> • <i>No take or pay contracts have been entered into with either rail or port</i> • <i>Transport options in place to connect proposed mine infrastructure area to main Ulan to Muswellbrook rail line</i>
Average LOM operating cost	A\$57/ FOB tonne (excl royalties) US\$49.60/ FOB tonne (excl royalties) @ 0.87 AUD/USD
Capital Cost	Previous forecast A\$800M – A\$920M. In the interim capital costs have fallen significantly and MBC is currently revising the capital cost estimate prior to EIS submission.
Environmental	Underground mining substantially mitigates the key concerns arising from open cut mines of visual amenity and dust in the Upper Hunter. There are no significant watercourses on the EL.
Permitting	1 st coal project in NSW to receive Gateway Certificate. Environmental Assessment Requirements received 23 July 2014. Mining Lease Applications submitted.

Resources and Reserves



Resources

- ✓ 626 million tonnes of which 394 million tonnes are Indicated.

Maiden Reserves

- ✓ 91 million tonnes of Probable Reserves (calculated for only the initial Whynot and Bowfield seams).
- ✓ Reserves are expected to increase as more field work and engineering studies are completed.
- ✓ Reserves reported to JORC (2012) requirements (i.e. PFS requirement)

Coal Products

- ✓ Washed Product Coals are: low ash soft coking coal and low ash export thermal coal.
- ✓ Ash % <6% for Whynot seam and Sulphur is circa 0.40%.

100% basis	Maiden Reserves (JORC 2012) million tonnes		Resources (JORC 2012) Million tonnes				
	Western (Underground) Zone		Western (Underground) Zone			Eastern Zone	
Seam	Probable	Probable Marketable	Indicated	Inferred	Total	Inferred	Total
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 U			0.0	0.0	0.0	3.8	3.8
Redbank Ck M			0.0	0.0	0.0	3.7	3.7
Redbank Ck L			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 coal washing process.

Rail



- ✓ Project ideally located within 5km of the Hunter Valley Rail Network
- ✓ Spur Hill to Newcastle 130km
- ✓ Rail capacity available for Spur Hill's production.
- ✓ Standalone rail loop option
- ✓ **No take or pay rail contracts in place**



Port



The Port of Newcastle has two operators with combined capacity of 211 million tonnes per year;

- ✓ Port Waratah Coal Services (PWCS), and
- ✓ Newcastle Coal Infrastructure Group (NCIG)
- ✓ **Spur Hill has no Port take or pay contracts in place**

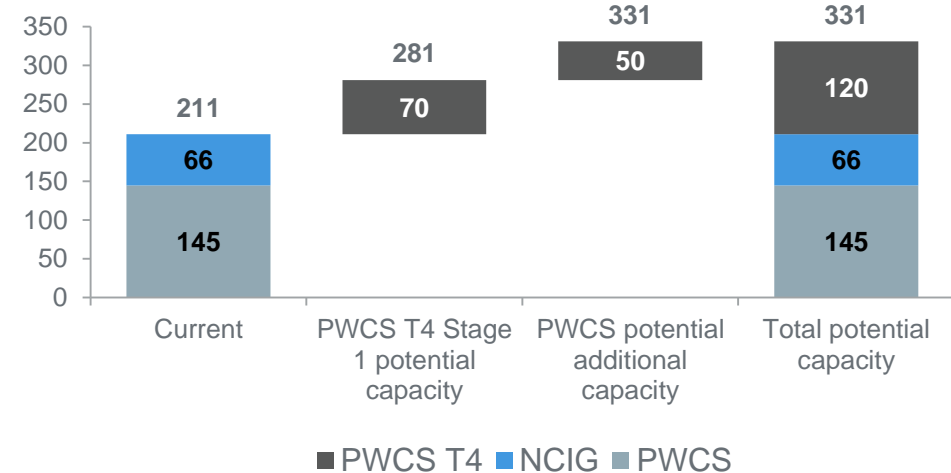
Current PWCS capacity

- ✓ There is sufficient current port capacity at PWCS available for Spur Hill production.
- ✓ Favourable PWCS port charge of \$2.80/t.

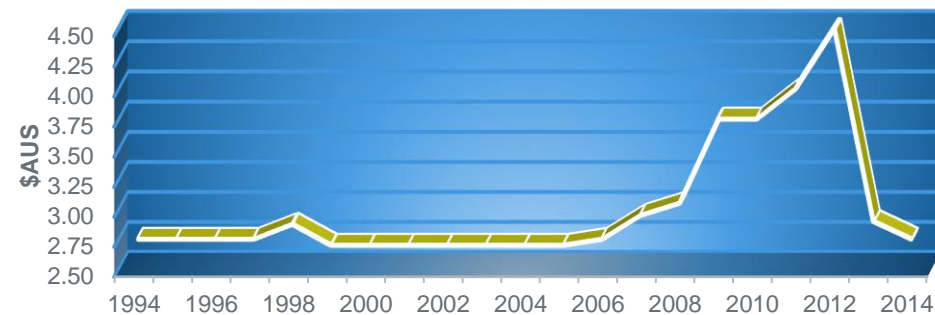
Future PWCS capacity

- ✓ Under the “Long Term Commercial Framework Agreement” that governs PWCS operations, PWCS must provide capacity even if that requires a terminal expansion.
- ✓ PWCS is seeking development approval for T4 should extra port capacity be required in the future.

Port of Newcastle Capacity (million tpa)



PWCS Coal Handling Charge \$/t



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Community contribution and social responsibility



Education



Upper Hunter Education Fund

**NSWMC Envirosmart Grant
St Joseph's School Denman**



Denman & Sandy Hollow Junior Rugby League



Denman Pony Club

Community



Australian Men's Shed Association
SHOULDER TO SHOULDER



Dalswinton Rural Fire Service

Denman Children's Centre

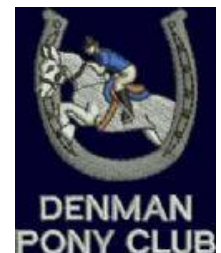


Denman Aged Care



Denman & District Development Association Denman News

Sports



Community Events



**UPPER HUNTER
Wine & Food Affair**

Upper Hunter Show Inc.

- ✓ Malabar actively supports our local community
- ✓ We have committed in excess of \$184,000 to local non-for-profit groups and community projects

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Land management



- ✓ As an underground project, Spur Hill requires considerably less area for surface facilities than an open cut project.
- ✓ The majority of land within the project area will therefore retain its current land use as either cattle grazing, vineyard operation, or bushland.
- ✓ The Spur Hill Project owns the 'Merton Vineyard' located on the exploration licence
 - ✓ Significant improvements have been undertaken to return the vines to full productivity.
 - ✓ The winery and cellar door is licensed to a highly regarded winemaker who has recently released the first vintage under the label Small Forest. smallforest.com.au/.
- ✓ The Spur Hill Underground Coking Coal Project clearly demonstrates that mining and agriculture can co-exist



Operating costs in the coal industry are falling



Index of average cost for Australian coal mines (2008=100)

	2008	2009	2010	2011	2012	2013	2014
Thermal	100	99	125	149	145	127	124
Metallurgical	100	102	130	172	173	145	136

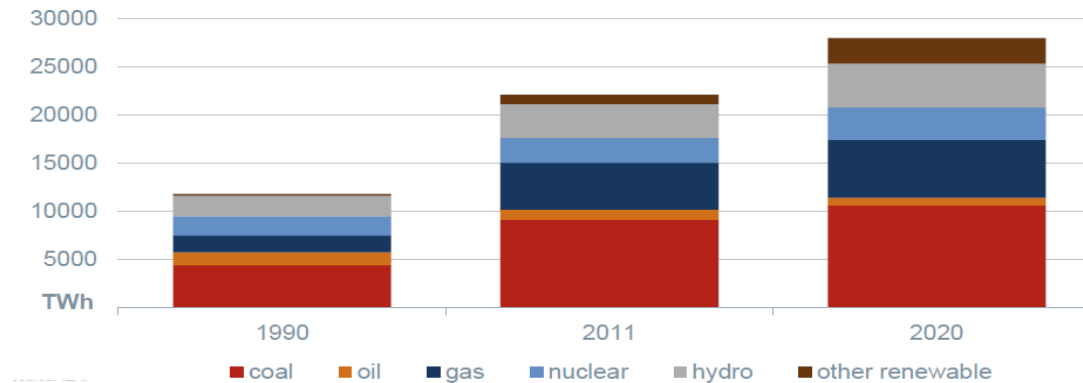
Bureau of Resources and Energy Economics (BREE). (2014, October 14). Australia's thermal and metallurgical coal export supply outlook. Retrieved from page 17.

Coal will continue to be a key energy source

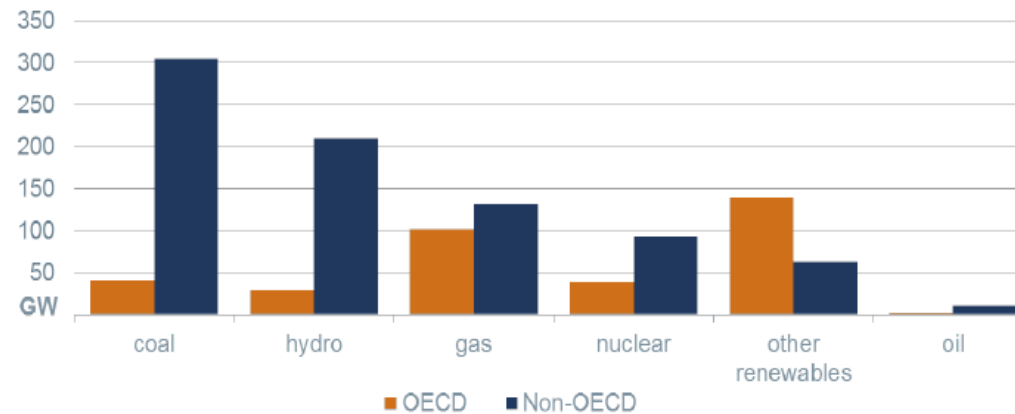


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World electricity generation



Electricity generation capacity under construction and approved

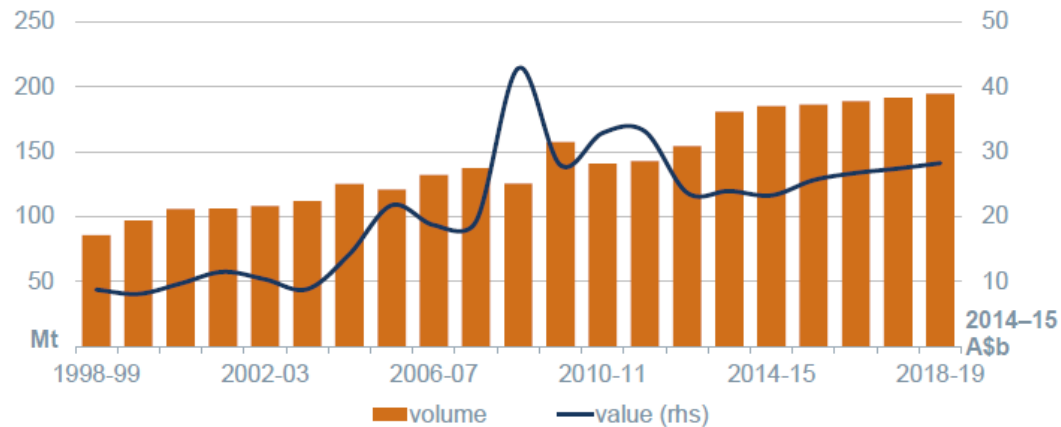


Bureau of Resources and Energy Economics (BREE). (2014, October 14). Australia's thermal and metallurgical coal export supply outlook. Retrieved from pages 5 and 8.

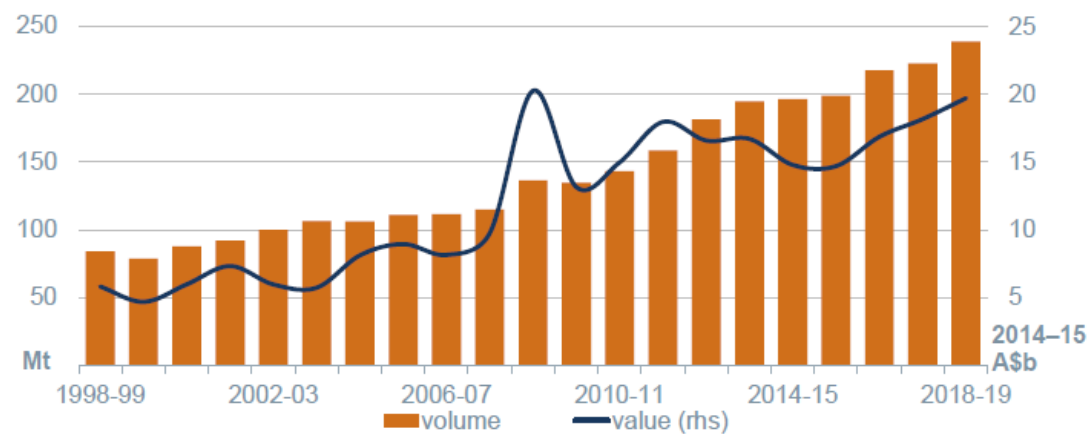
Increasing coal exports



Australia's metallurgical coal exports



Australia's thermal coal exports



Bureau of Resources and Energy Economics (BREE). (2014, October 14). Australia's thermal and metallurgical coal export supply outlook. Retrieved from pages 19 and 20.

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.