

Dear Shareholder

Notice of 2018 Annual General Meeting

I am pleased to invite you to attend the 2018 Annual General Meeting (**Meeting**) for Malabar Coal Limited ACN 151 691 468 (**Malabar**) which has been scheduled as follows:

Date: **Thursday 29 November 2018**

Time: **10:00am**

Venue: **The Library, Union and University and Schools Club, Level 2, 25 Bent Street, Sydney, New South Wales, 2000**

Dress code requirements for The Library: **Jacket and tie compulsory**

The business to be dealt with at the Meeting is provided on pages 1 and 2 of the notice of annual general meeting enclosed with this letter (**Notice**).

The resolutions on the agenda include the re-election of myself as a director of Malabar, the election of Brian Beem as a director of Malabar, and seeking approval from Malabar's shareholders for Malabar to undertake a selective capital reduction in respect of a proportion of the redeemable converting shares in Malabar (**RCS**). You may recall that 177,777,896 RCS were issued in February 2018, for which \$80 million was raised to assist with the funding of the Maxwell acquisition.

In the prospectus under which the RCS were issued (**Prospectus**), Malabar noted that the reason for issuing the RCS (rather than fully paid ordinary shares) was to allow the RCS to be redeemed and cancelled, or cancelled by way of selective capital reduction, in the event that a strategic investor provided capital to Malabar. I am pleased to advise that Malabar has entered into a facility agreement (**Facility**) for \$US 55 million for the next 3 years. The purpose of the Facility is to provide bonds, guarantees, and financial assurances, including the provision of guarantees to the New South Wales government. The Facility was provided by a future customer and the AMCI Group. The Facility allows Malabar to release capital, and the board of directors of Malabar (**Board**) has therefore decided to undertake a selective capital reduction in respect of 101,010,101 of the RCS currently on issue, such that approximately \$50 million can be returned to Malabar's shareholders. The remainder of the RCS will convert to fully paid ordinary shares in the capital of Malabar as set out in the terms of issue of the RCS.

The Board believes that the selective capital reduction is an important step in increasing the value for Malabar's shareholders, as it reduces the number of shares on issue in Malabar and utilises the more efficient capital provided by the Facility.

As outlined in the Prospectus and the terms of issue of the RCS, the consideration paid to Malabar's shareholders under the selective capital reduction will be \$0.495 per RCS (as compared to the issue price for the RCS of \$0.45), providing a 10% return to RCS holders.

Subject to Malabar's shareholders approving the selective capital reduction in respect of 101,010,101 of the RCS at the Meeting, a separate second meeting of RCS holders will be held to approve the cancellation of the relevant 101,010,101 RCS. A notice for this second meeting is also attached, noting that this meeting is for RCS holders only and will be held following the Meeting at 10:30am, at the same venue as the Meeting.

If you are not attending the Meeting (and the second meeting in the case of RCS holders), you are encouraged to appoint a proxy to attend and vote on your behalf by completing the enclosed proxy form. Instructions on how to appoint a proxy are detailed in the enclosed material.

We look forward to seeing you at the Meeting.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'W. Seabrook', written in a cursive style.

Wayne Seabrook

Chairman

Date: 25 October 2018

Notice of annual general meeting

Malabar Coal Limited ACN 151 691 468 (**Company**)

Notice is given that the Company's 2018 annual general meeting will be held at:

Location	The Library, Union and University and Schools Club, Level 2, 25 Bent Street, Sydney, New South Wales, 2000
Date	29 November 2018
Time	10:00am

General business

Accounts and reports

To receive and consider the financial statements and reports of the Company for the year ended 30 June 2018.

Notes:

- There is no requirement for shareholders of the Company to approve these reports.
- The Company's 2018 annual report is available for shareholders of the Company to access and download from www.malabarcoal.com.au.
- If you would like to receive a hard copy of the Company's 2018 annual report free of charge you can contact the Company on +61 2 8248 1272 during business hours in Sydney.

Resolution 1 – Re-election of director (Wayne Seabrook)

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 1 That Mr Wayne Seabrook, a director of the Company retiring from office by rotation under rule 13.3(a) of the Company's constitution, and being eligible, be re-elected as a director of the Company.*

Notes:

- Mr Seabrook consents to his re-election as a director of the Company.
- The non-candidate directors of the Company unanimously support the re-election of Mr Seabrook as a director of the Company.
- The Chairman of the annual general meeting intends to vote all available proxies in favour of Mr Seabrook's re-election.

Resolution 2 – Election of director (Brian Beem)

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 That Mr Brian Beem, a director of the Company appointed by the board of directors of the Company to fill a casual vacancy in accordance with rule 13.1(c) of the Company's constitution, be elected as a director of the Company.*

Notes:

- Since the Company's 2017 annual general meeting, Mr Brian Beem has been appointed as a director of the Company to fill a casual vacancy.
- In accordance with rule 13.1(c) of the Company's constitution, Mr Beem holds office until the end of the Company's next annual general meeting following his appointment and is eligible for election at that annual general meeting.
- Mr Beem consents to his election as a director of the Company.
- The non-candidate directors of the Company unanimously support the election of Mr Beem.
- The Chairman of the annual general meeting intends to vote all available proxies in favour of Mr Beem's election.

Special business

Resolution 3 – Approval of selective capital reduction under the *Corporations Act 2001 (Cth)*

To consider and, if in favour, pass the following resolution as a special resolution:

- 3 *That, for the purpose of section 256C(2)(b) of the Corporations Act 2001 (Cth) and all other purposes, the shareholders of the Company approve the selective capital reduction by the Company, which will result in the return of capital and cancellation of 101,010,101 of the redeemable converting shares on issue in the Company (RCS) on a pro rata basis for consideration of \$0.495 per RCS, on the terms set out in the **attached** explanatory memorandum (**Proposed Capital Reduction**).*

Note: No votes may be cast in favour of this resolution by any person who is to receive consideration as part of the Proposed Capital Reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates.

Dated 25 October 2018

By order of the Board



Wayne Seabrook
Chairman
Malabar Coal Limited

Notes

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001 (Cth)* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) If you have any queries on how to cast your votes then call the Company on +61 2 8248 1272 during business hours in Sydney.

Notice of meeting of RCS holders

Malabar Coal Limited ACN 151 691 468 (**Company**)

Notice is given that a meeting of holders of redeemable converting shares (**RCS**) in the Company will be held at:

Location	The Library, Union and University and Schools Club, Level 2, 25 Bent Street, Sydney, New South Wales, 2000
Date	29 November 2018
Time	10:30am

Special Business

Resolution – Approval of selective capital reduction under the *Corporations Act 2001* (Cth)

To consider and, if in favour, pass the following resolution as a special resolution:

*That, for the purpose of section 256C(2) of the Corporations Act 2001 (Cth) and all other purposes, the holders of redeemable converting shares on issue in the Company (RCS) approve the selective capital reduction by the Company, which will result in the return of capital and cancellation of 101,010,101 of the RCS on a pro rata basis for consideration of \$0.495 per RCS, on the terms set out in the **attached** explanatory memorandum.*

Dated 25 October 2018

By order of the Board



Wayne Seabrook
Chairman
Malabar Coal Limited

Notes

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) If you have any queries on how to cast your votes then call the Company on +61 2 8248 1272 during business hours in Sydney.

Explanatory memorandum

Malabar Coal Limited ACN 151 691 468 (**Company**)

1 Financial reports

The Company's financial report (which includes the financial statements), directors' report and auditor's report for the year ended 30 June 2018 will be laid before the annual general meeting, in accordance with the requirement under the Corporations Act. There is no requirement either in the Corporations Act or in the Company's constitution for shareholders of the Company to approve these reports. However, the Chairman of the annual general meeting will allow a reasonable opportunity for shareholders of the Company to ask questions about, or make comments on, these reports and the management of the Company more generally.

Shareholders of the Company will be given a reasonable opportunity to ask the Company's auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the Company's financial statements, and the independence of the auditor in relation to the conduct of the audit.

2 Re-election of a director and election of a director – Resolutions 1 and 2

Rule 13.1(c) of the Company's constitution allows the directors of the Company, subject to the Corporations Act, to appoint a person as a director of the Company at any time. That person holds office until the end of the next annual general meeting following their appointment and is eligible for election at that annual general meeting.

Rule 13.3 of the Company's constitution states that, excluding any managing director of the Company:

- (a) no director of the Company may hold office for a period in excess of three years, or beyond the third annual general meeting following the election of that director of the Company, whichever is the longer, without submitting himself or herself for re-election; and
- (b) there must be an election of directors of the Company at each annual general meeting, with the director(s) of the Company to retire at each annual general meeting being any one or more of the following, as applicable:
 - (i) any director of the Company required to retire under rule 13.3(a) of the Company's constitution and standing for re-election;
 - (ii) any director of the Company required to submit for election under rule 13.1(c) of the Company's constitution;
 - (iii) a person standing for election as a new director of the Company; or
 - (iv) if no person is standing for election or re-election, then the director of the Company who has been in office the longest since last being elected (noting that between directors of the Company who were elected on the same day, the director of the Company to retire will be decided by lot, unless the relevant directors of the Company agree otherwise).

Accordingly:

- (a) Mr Seabrook is due to retire by rotation under rule 13.3(a) of the Company's constitution and offers himself for re-election as a director of the Company; and

- (b) Mr Beem, having been appointed by the directors of the Company to fill a casual vacancy since the Company's 2017 annual general meeting in accordance with rule 13.1(c) of the Company's constitution, offers himself for election as a director of the Company.

Wayne Seabrook	B.Eng (Chemical – 1 st Class Hons)
Role	Non-executive Chairman
Experience	Wayne has more than 30 years of resources sector and corporate finance experience. He is a director of XLX Pty Ltd and Ironstone Capital Partners Pty Ltd. As non-executive Chairman, Wayne is responsible for leadership of the Company's board of directors, for efficient organisation and conduct of the 'function of the Company's board of directors, and the briefing of all directors of the Company in relation to issues arising at board meetings. As Chairman, Wayne is also responsible for arranging performance evaluation of the Company's board of directors. Wayne holds a Bachelor of Engineering (Chemistry – 1 st Class Hons) from the University of Canterbury, New Zealand, and a Graduate Diploma from FINSIA. He is a fellow of FINSIA and a member of AUSIMM.
Special responsibilities	Member of the Occupational Health, Safety & Environment Committee, and member of the Audit Committee

Recommendation

The non-candidate directors of the Company, with Mr Seabrook abstaining, unanimously recommend that shareholders of the Company approve the re-election of Mr Seabrook as a director of the Company.

Brian Beem	BA, Political Economy
Role	Non-executive director
Experience	Brian has more than 16 years of global resources investment and corporate finance experience. Brian worked on numerous transactions in the resources sector while working as investment banker at Merrill Lynch and a principal investor at First Reserve Corporation, a U.S. based energy private equity firm. For the last 12 years, Brian has held senior positions at the AMCI Group, a privately held global resources investor. During his time at the AMCI Group, Brian has led numerous investments in the Australian coal sector, including Felix Resources, Whitehaven Coal, AMCI Australia and Fitzroy Resources. Brian currently serves on the boards of Conuma Coal Resources Ltd, Fitzroy QLD Resources Ltd, and AMCI Investments Pty Ltd, amongst others. Brian holds a Bachelor of Arts in Politics from Princeton University.
Appointment date	30 June 2018
Special responsibilities	Member of the Audit Committee

Recommendation

The non-candidate directors of the Company, with Mr Beem abstaining, unanimously recommend that shareholders of the Company approve the election of Mr Beem as a director of the Company.

3 Share capital reduction – Resolution 3

Shares on issue

3.1 The Company currently has the following shares on issue:

Class of shares	No. of shares	Total paid up amount
Fully paid ordinary shares	182,100,000	\$66,597,374
Fully paid redeemable converting shares (RCS)	177,777,896	\$80,000,053.20

3.2 No amounts remain unpaid on any of the shares in the Company.

Share capital reduction

3.3 The Company wishes to cancel 101,010,101 of the RCS on issue in the Company on a pro rata basis, following which those RCS will be cancelled (**Proposed Capital Reduction**). The Proposed Capital Reduction will therefore result in approximately 56.82% of each RCS holder's RCS being cancelled. The Company proposes to do this by way of selective capital reduction in accordance with section 256C(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

3.4 As part of the Proposed Capital Reduction:

- (a) each holder of RCS will receive \$0.495 per RCS in respect of approximately 56.82% of all RCS which they hold, resulting in a total payment of \$50,000,000 being made by the Company to all holders of RCS;
- (b) the paid-up share capital of the Company will be reduced by \$50,000,000; and
- (c) 101,010,101 of the RCS will be cancelled.

3.5 Under section 256B of the Corporations Act, a company is able to return capital to its shareholders if the proposal:

- (a) is fair and reasonable to the shareholders as a whole;
- (b) does not materially prejudice the company's ability to pay its creditors;
- (c) is approved by the relevant shareholders of the company in accordance section 256C of the Corporations Act; and
- (d) involves the cancellation of shares, if it is approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled.

Affect on the Company's members

3.6 The 101,010,101 RCS are to be cancelled in return for the payment of \$0.495 for each of those RCS. This will involve the payment of \$50,000,000 by the Company to the holders of RCS.

- 3.7 The directors of the Company are of the view that the Proposed Capital Reduction is fair and reasonable.
- 3.8 In particular, directors of the Company are of the view that the completion of the proposed share capital reduction will not affect the control of the Company. This is because each holder of RCS will have the number of RCS that they hold reduced proportionately, having regard to their percentage holdings before the Proposed Capital Reduction (as demonstrated in the table at paragraph 3.20 below).

Affect on the Company's creditors

- 3.9 The Company has secured and unsecured creditors in the ordinary course of business who the directors of the Company believe will not be materially prejudiced by the Proposed Capital Reduction.

Approval by shareholders of the Company

- 3.10 In accordance with section 256C(2) of the Corporations Act, the Proposed Capital Reduction will only proceed if both of the following special resolutions are passed:
- (a) a special resolution passed by the shareholders of the Company with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the Proposed Capital Reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates; and
 - (b) a special resolution passed at a separate meeting by RCS holders.

Timing

- 3.11 As the capital reduction and cancellation is part of a selective capital reduction, the capital reduction and cancellation cannot occur until 14 days after a copy of the resolutions of shareholders approving the reduction and cancellation have been lodged with the Australian Securities and Investments Commission (**ASIC**). Following the expiry of this period, the Company will make a total payment of \$50,000,000 to the holders of the RCS and cancel those RCS.
- 3.12 The Company will notify ASIC once the Proposed Capital Reduction has taken place.

Tax effect of Proposed Capital Reduction

- 3.13 The Proposed Capital Reduction may have certain tax consequences for the RCS holders.
- 3.14 While a dividend for tax purposes includes all payments by a company to its shareholders in that capacity, there is a specific exclusion for amounts debited to the share capital account. The entire amount paid to the RCS holders for the cancellation of the 101,010,101 RCS will be debited to the Company's share capital account. Accordingly, the amount returned to the RCS holders should not be a dividend for tax purposes.
- 3.15 However, under capital gains tax rules the payment of an amount to a shareholder on cancellation of their shares will have capital gains tax consequences. The redemption of the RCS will give rise to CGT Event C2. The redemption price of the RCS will be treated as capital proceeds under CGT Event C2. RCS holders will make a capital gain to the extent that the capital proceeds received for the redemption exceed the RCS holders' cost base for their RCS.
- 3.16 There are no taxation consequences for the Company resulting from the share capital reduction.
- 3.17 For completeness, the Company notes that it has not derived any profit, has no retained earnings and the payment for the cancellation of the 101,010,101 RCS will, in effect, be funded via debt. On this basis, the Company is of the view that the Commissioner of Taxation should not make a determination

that some or all of the amounts paid to RCS holders upon cancellation of the 101,010,101 RCS should be deemed to be dividends for tax purposes.

- 3.18 As the above summary is general in nature and because particular taxation implications will depend on the circumstances of each RCS holder, RCS holders are encouraged to seek their own professional advice in relation to their tax position. The Company does not assume any liability for advising RCS holders about the tax consequences for them from the Proposed Capital Reduction.

Interests of the Company's directors and associates

- 3.19 The directors of the Company and their associates hold the following percentage interests in RCS and fully paid ordinary shares on issue in the Company (as a proportion of the total RCS and fully paid ordinary shares on issue in the Company), immediately before and immediately after the Proposed Capital Reduction, as well as following the conversion of the remaining RCS (i.e. those RCS that are not the subject of the Proposed Capital Reduction):

Director	Before cancellation		After cancellation		After conversion
	Fully paid ordinary shares	RCS	Fully paid ordinary shares	RCS	Fully paid ordinary shares
Wayne Ronald Seabrook	9,476,272 (5.20%) ¹	3,333,333 (1.87%) ²	9,476,272 (5.20%) ¹	1,439,395 (1.87%) ³	10,915,667 (4.22%) ⁴
Anthony Grove Galligan	Nil	Nil	Nil	N/A	Nil
Brian Douglas Beem JR	101,521 (0.06%) ⁵	Nil	101,521 (0.06%) ⁵	N/A	101,521 (0.04%) ⁵

Notes

- 1 Of these fully paid ordinary shares, 7,146,676 (3.92%) are held individually by Mr Seabrook, and 2,329,596 (1.28%) are held through Westbrook Consultants No. 2 Pty Ltd, an entity controlled by Mr Seabrook.
- 2 All 3,333,333 RCS are held through Westmark Investments Pty Ltd as trustee for Westbrook Investment Trust, an entity controlled by Mr Seabrook.
- 3 Calculated on the basis that there are 76,767,795 RCS still on issue in the Company following the Proposed Capital Reduction.
- 4 Calculated on the basis that there are 258,867,795 fully paid ordinary shares on issue in the Company, following conversion of the remaining 76,767,795 RCS (i.e. those RCS that are not the subject of the Proposed Capital Reduction), and assuming no further fully paid ordinary shares in the Company are otherwise issued.
- 5 The fully paid ordinary shares are held individually by Mr Brian Beem JR.

Interests of the Company's substantial shareholders

- 3.20 The following table shows the percentage interests of each of the Company's substantial holders in RCS and fully paid ordinary shares on issue in the Company (as a proportion of the total RCS and fully paid ordinary shares on issue in the Company), immediately before and immediately after the Proposed Capital Reduction, as well as following the conversion of the remaining RCS (i.e. those RCS that are not

the subject of the Proposed Capital Reduction):

Substantial shareholder of the Company	Before cancellation		After cancellation		After conversion
	Fully paid ordinary shares	RCS	Fully paid ordinary shares	RCS	Fully paid ordinary shares
Brisbane Investments I Limited	27,775,085 (15.25%)	32,446,389 (18.25%)	27,775,085 (15.25%)	14,010,953 (18.25%) ¹	41,786,038 (16.14%) ²
Brisbane Investments II Limited	27,775,085 (15.25%)	32,446,389 (18.25%)	27,775,085 (15.25%)	14,010,953 (18.25%) ¹	41,786,038 (16.14%) ²
HFTT Pty Ltd as trustee for the Haggarty Family Trust, and MEM Consultants Pty Ltd	27,491,957 (15.10%)	27,152,550 (15.27%)	27,491,957 (15.10%)	11,724,975 (15.27%) ¹	39,216,932 (15.15%) ²
Westbrook Coal Pty Ltd, Ranamok Pty Ltd as trustee for the Plummer Family Trust, Ranamok Pty Ltd as trustee for the Yuanmi Super Fund, and Vesade Pty Ltd	23,820,944 (13.08%)	26,220,740 (14.75%)	23,820,944 (13.08%)	11,322,602 (14.75%) ¹	35,143,546 (13.58%) ²
Wayne Seabrook, Westbrook Consultants No. 2 Pty Ltd, and Westmark Investments Pty Ltd as trustee for Westbrook Investment Trust	9,476,272 (5.20%)	3,333,333 (1.87%)	9,476,272 (5.20%)	1,439,395 (1.87%) ¹	10,915,667 (4.22%) ²

Notes

- 1 Calculated on the basis that there are 76,767,795 RCS still on issue in the Company following the Proposed Capital Reduction.
- 2 Calculated on the basis that there are 258,867,795 fully paid ordinary shares on issue in the Company, following conversion of the remaining 76,767,795 RCS (i.e. those RCS that are not the subject of the Proposed Capital Reduction), and assuming no further fully paid ordinary shares in the Company are otherwise issued.

Resolution of RCS holders

- 3.21 As set out in paragraph 3.10(b), the Proposed Capital Reduction must also be approved by a special resolution of RCS holders. The RCS holders will attend a separate meeting immediately after the annual general meeting to vote on whether to approve the Proposed Capital Reduction.

Recommendation of the directors of the Company

- 3.22 The directors of the Company recommend the Proposed Capital Reduction and recommend that eligible shareholders vote in favour of the resolution.

Disclosure of relevant information

- 3.23 This explanatory memorandum has been issued to satisfy the requirements of section 256C(4) of the Corporations Act and contains all of the information that is material to the decision of how to vote on the resolution.

DATED 25 October 2018



Wayne Seabrook
Chairman
Malabar Coal Limited

PROXY FORM FOR ORDINARY SHAREHOLDERS

STEP 1: APPOINT A PROXY

Shareholder details

Name(s):

Address:

Contact telephone number:

Contact email address:

Contact name (if different from above):

I/We, being a Shareholder/s of Malabar Coal Limited ABN 29 151 691 468 (**Company**) hereby appoint

_____ (insert name / address)

or failing him or her the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at The Library, Union and University and Schools Club, Level 2, 25 Bent Street, Sydney, New South Wales, 2000, commencing at 10.00am (Sydney time) on Thursday, 29 November 2018, and at any adjournment of that Meeting.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman of the Meeting specific voting directions on an item, you should mark the appropriate boxes opposite those items in step 2 below (directing the Chairman of the Meeting to vote for, against or to abstain from voting).

If you mark the 'Abstain' box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll.

STEP 2: VOTING INSTRUCTIONS

This proxy is to be used in respect of all / _____ % of the ordinary Shares I/we hold.

I/We instruct my/our proxy to vote as follows (noting that the resolutions are numbered as in the Notice):

To consider and, if thought fit, to pass, with or without amendment, the following resolutions:	For	Against	Abstain
Resolution 1: That Mr Wayne Seabrook be re-elected as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: That Mr Brian Beem JR be elected as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Approval of selective capital reduction under the Corporations Act 2001 (Cth)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(insert name / address)

STEP 3 SIGNATURE OF SHAREHOLDER

Dated: _____ 2018

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

PROXY FORM FOR ORDINARY SHAREHOLDERS

Instructions for completing the proxy form

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of that Shareholder.
2. You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.
3. A duly appointed proxy need not be a Shareholder. This form should be signed by the Shareholder. If the holding is a joint holding, either Shareholder may sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the Shareholder's constitution and the Corporations Act.
4. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
5. For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2) of the Corporations Act. This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) of the Corporations Act, as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
6. Completion of a proxy form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
7. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
8. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
 - hand delivery the proxy form to the Company's registered office at Level 26, 259 George Street, Sydney, New South Wales, 2000;
 - scanning and emailing the proxy form to admin@malabarcoal.com.au; or
 - posting the proxy form to the Company at PO Box R864, Royal Exchange, New South Wales, 1225

so that it is received no later than 10.00am (Sydney time) on Tuesday, 27 November 2018. Proxy forms received later than this time will be invalid.

9. Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.
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APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the Corporations Act

_____ **(ABN/ACN/ARBN)**

_____ **(insert name of Shareholder)**

_____ **(insert ACN/ABN/ARBN)**

hereby Authorises

_____ **(insert name of appointee)**

to act as the Company’s representative at:

- 1. all General Meetings of Malabar Coal Limited ABN 29 151 691 468; and**
- 2. the Annual General Meeting to be held at 10.00am (Sydney time) on Thursday, 29 November 2018, and any adjournment thereof.**

Dated this _____ day of _____ 2018

Executed by the corporation in accordance with its constitution and section 127 of the Corporations Act:

Director

Sole Director & Company Secretary

Director/Secretary

Affix common seal here (optional)

Note: This authority may be sent to the registered office or share registry office of the Company in advance of the Meeting as set out in the Notice which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.

PROXY FORM FOR REDEEMABLE CONVERTING SHAREHOLDERS (RC Shareholders)**STEP 1: APPOINT A PROXY****Shareholder details**

Name(s):

Address:

Contact telephone number:

Contact email address:

Contact name (if different from above):

I/We, being a RC Shareholder/s of Malabar Coal Limited ABN 29 151 691 468 (**Company**) hereby appoint

_____ (insert name / address)

or failing him or her the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Meeting to be held at The Library, Union and University and Schools Club, Level 2, 25 Bent Street, Sydney, New South Wales, 2000, commencing at 10.30am (Sydney time) on Thursday, 29 November 2018, and at any adjournment of that Meeting.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman of the Meeting specific voting directions on an item, you should mark the appropriate boxes opposite those items in step 2 below (directing the Chairman of the Meeting to vote for, against or to abstain from voting).

If you mark the 'Abstain' box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll.

STEP 2: VOTING INSTRUCTIONS

This proxy is to be used in respect of all / _____% of the Redeemable Converting Shares I/we hold.

I/We instruct my/our proxy to vote as follows (noting that the resolution are numbered as in the Notice):

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

For Against Abstain

Resolution 1: Approval of selective capital reduction under the Corporations Act 2001 (Cth)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(insert name / address)

STEP 3 SIGNATURE OF RC SHAREHOLDER

Dated: _____ 2018

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Instructions for completing the proxy form

1. An RC Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of that RC Shareholder.
2. You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your RC Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of RC Shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.
3. A duly appointed proxy need not be an RC Shareholder. This form should be signed by the RC Shareholder. If the holding is a joint holding, either RC Shareholder may sign. If signed by the RC Shareholder's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the RC Shareholder's constitution and the Corporations Act.
4. Corporate RC Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
5. For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2) of the Corporations Act. This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) of the Corporations Act, as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
6. Completion of a proxy form will not prevent individual RC Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that RC Shareholder is suspended while the Shareholder is present at the Meeting.
7. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
8. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
 - hand delivery the proxy form to the Company's registered office at Level 26, 259 George Street, Sydney, New South Wales, 2000;
 - scanning and emailing the proxy form to admin@malabarcoal.com.au; or
 - posting the proxy form to the Company at PO Box R864, Royal Exchange, New South Wales, 1225

so that it is received no later than 10.30am (Sydney time) on Tuesday, 27 November 2018. Proxy forms received later than this time will be invalid.

9. Chapter 2C of the Corporations Act requires information about you as an RC Shareholder (including your name, address and details of the RC Shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.
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APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the Corporations Act

_____ (ABN/ACN/ARBN)

_____ (insert name of RC Shareholder)

_____ (insert ACN/ABN/ARBN)

hereby Authorises

_____ (insert name of appointee)

to act as the Company's representative at:

1. all RC Shareholder Meetings of Malabar Coal Limited ABN 29 151 691 468; and
2. the RC Shareholder Meeting to be held at 10.30am (Sydney time) on Thursday, 29 November 2018, and any adjournment thereof.

Dated this _____ day of _____ 2018

Executed by the corporation in accordance with its constitution and section 127 of the Corporations Act:

Director

Sole Director & Company Secretary

Director/Secretary

Affix common seal here (optional)

Note: This authority may be sent to the registered office or share registry office of the Company in advance of the Meeting as set out in the Notice which this appointment accompanies or handed in at the RC Shareholder Meeting when registering as a company representative. In either case, the authority will be retained by the Company.