



GUILDFORD
COAL

SPRINGSURE ACQUISITION

2 April 2012

ASX: GUF

SHARE INFORMATION

Issued Shares: 475.3m
Listed Options: N/A
Unlisted Options: N/A

BOARD OF DIRECTORS

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Dep. Chairman: T. Bellas
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KEY PROJECTS

HUGHENDEN

Location:
Galilee Basin, QLD

SIERRA

Location:
Bowen Basin, QLD

KOLAN

Location:
Maryborough Basin, QLD

SOUTH GOBI

Location:
South Gobi Basin, Mongolia

MIDDLE GOBI

Location:
Middle Gobi Basin, Mongolia

ACQUISITION OF MAJORITY STAKE IN SPRINGSURE PTY LTD

- The Independent Directors of Guildford Coal Limited (Guildford) are pleased to announce the signing of a Share Sale Agreement to acquire 50.52% of Springsure Pty Ltd from Resco Projects Pty Ltd which holds 100% of EPC1674
- Previous drilling at Springsure located in the Bowen Basin identified a number of coal seams of excellent thickness, low ash and high calorific value with open cut potential
- The acquisition price is a \$0.4m cash commitment to the exploration and development of EPC1674 and contingent payments of \$2.2m for each of the first five tranches of 10Mt of JORC Indicated Resource and \$1.8m for each of the next five tranches of 10Mt of JORC Indicated Resource to a maximum of \$20m, payable in cash or Guildford shares
- Guildford will have 100% of marketing rights for all coal sold and will receive a fee of 5.25% of the coal sales price
- This acquisition further diversifies Guildford's Queensland portfolio through its geographic location, proximity to existing infrastructure including the Minerva spur line and Gladstone port, fast path to production and potential for coal quality in the export thermal/PCI range

SPRINGSURE PROJECT POTENTIAL

- Independent consulting geologists Moultrie Database and Modelling (MDM) have estimated an Exploration Target[#] on the Springsure Project of 60Mt to 235Mt of coal with export thermal and possibly PCI potential from the Reids Dome Beds
- Springsure has been included in the recent planning processes commenced by QR National in relation to future upgrades of the coal chain rail system
- Springsure is an applicant to export 2.5Mtpa from the 3TL port development at the Yarwun Precinct in Gladstone Harbour



SPRINGSURE PROJECT OVERVIEW

The Springsure EPC1674 is situated in the Central-Western Bowen Basin Coal Mining District of Queensland. The area is approximately 60km south of the town of Emerald and approximately 420 km from the port of Gladstone. It comprises 11 sub-blocks with a total surface area of approximately 37 sq km. Both the Springsure-Emerald rail link and the Gregory Highway traverse the south-eastern edge of the tenement, linking it directly to the port of Gladstone. Springsure Pty Ltd holds 100% of EPC1674 in the Bowen Basin, where it plans to develop Queensland's first Training Mine.

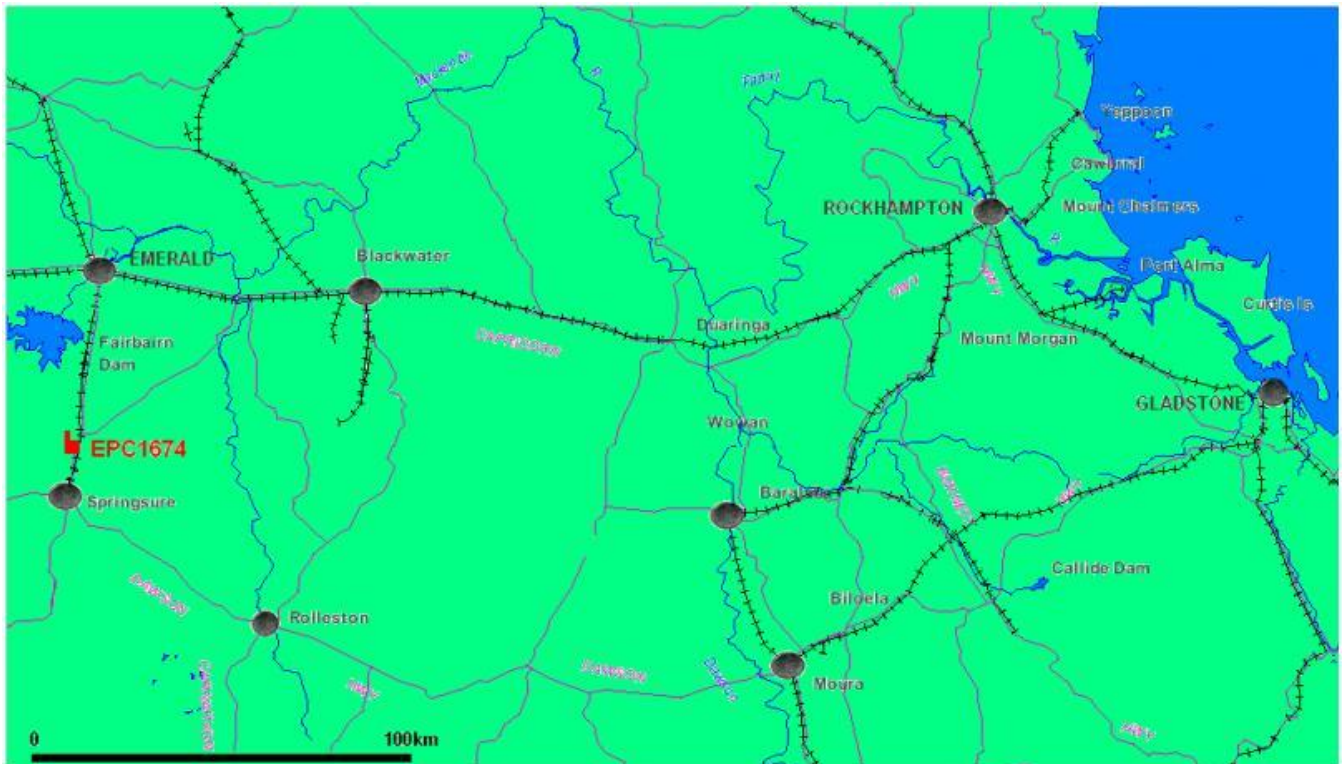


Figure 1 – Springsure Project in Relation to Infrastructure

REGIONAL GEOLOGY

EPC 1674 is situated at the western margins of the north-south trending Denison Trough consisting of several north trending grabens and half grabens. The Trough is bounded to the west by the Springsure Shelf and to the east by the Comet Platform. Sedimentary sequences deposited in the Denison Trough begin in the Lower Permian with the freshwater coal bearing Reids Dome Beds which can attain a thickness in excess of 2,400 metres. This depositional phase was followed by marine sediments of the Cattle Creek Formation. Further transgressive/regressive stages followed and are capped by the marginal marine and marginal terrestrial Peawaddy formation. Thick basaltic lava flows with interbedded ignimbrites are typical of the Tertiary lithologies, and have contributed to the present day geography.



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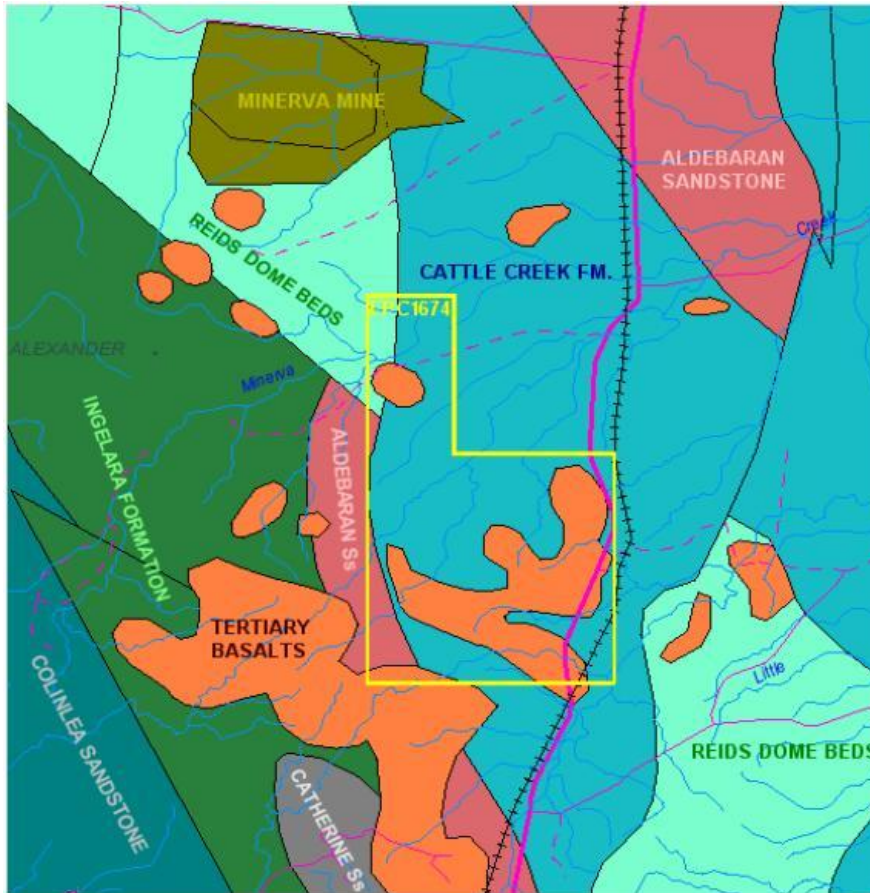


Figure 2 - Geology of the area surrounding EPC 1674

EXPLORATION TARGET AREAS

Coal seams have been correlated across the majority of the project area. In addition to these six main seams is seam 'RD' which was investigated and found to be 80 to 200m above the start of the main package of seams at open cut mineable depths but has only been identified in three holes to date. Initial gross *in situ* tonnage estimates for two masked zones of the Reid Dome Beds, give an exploration target of 10 – 45Mt and 50 – 190Mt respectively (see Table 1).

EXPLORATION TARGET RANGE

Independent consulting geologists Moultrie Database and Modelling (MDM) have estimated an Exploration Target[#] on the Springsure Project. The Exploration Target range is determined by taking the Exploration Target area and multiplying this figure by the estimated average cumulative coal thickness and the density of the coal. The results are then discounted by an unexpected geological loss factor.



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<i>EPC 1674</i>	Estimated Cumulative Thickness (m)	Gross Tonnage (Mt)	Exploration Target (Mt)
Mask Area 1	12.85	43	10 – 45
Mask Area 2	8.10	197	50 - 190

Table 1 - Springsure Project – Reids Dome Beds Exploration Target

The Mask Areas and historic drilling are shown in Figure 3. Mask Area 1 has been separated from the majority of the project area as it is expected to contain the 'RD' Seam. Mask Area 2 has been clipped approaching SU003 and SU004 as a structure within the Denison Trough in this area appears to have hindered coal deposition. A geological loss factor of 20% has been applied to most seams, except for the deepest seam (RD6) which was reduced by 50% as continuity of the seam across the tenement could not be confirmed in the west.

Initial gross in situ tonnage estimates carried out for two masked zones of the Reid Dome Beds, record exploration targets of 10Mt - 45Mt and 50Mt - 190Mt respectively and total 60Mt to 235Mt for the project.



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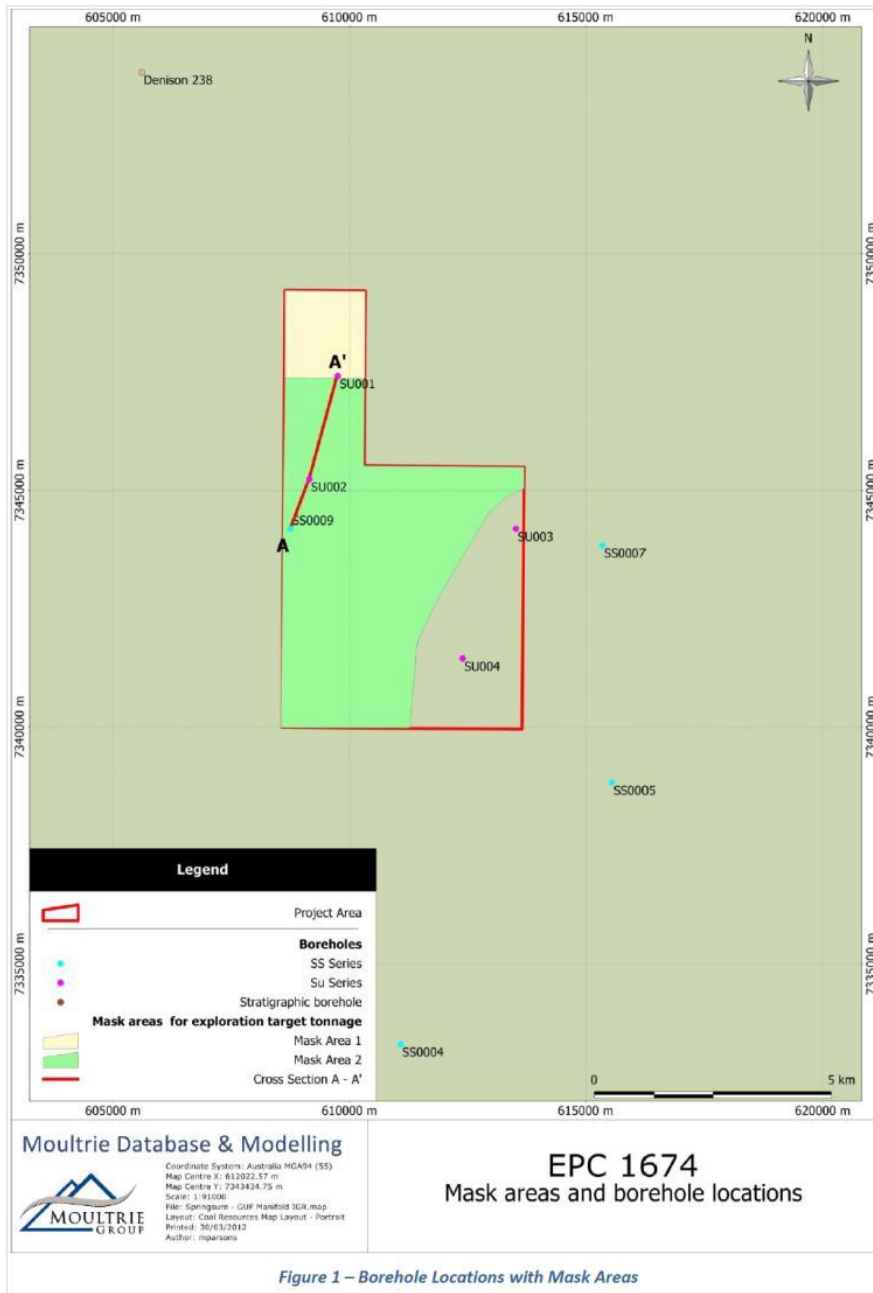


Figure 1 – Borehole Locations with Mask Areas

Figure 3 – Mask Areas and Borehole Locations

COAL QUALITY DATA ASSESSMENT

Coal quality data was available from several historical bore holes, a summary of which is presented below. The qualifying ranges for coking and PCI coal used in this table are based on A Guide to Coal Utilisation by the Australian Coal Association (1994).



Product Specification	Pf Specification Range	PCI Specification Range	Composite Seam Results for Coal Working Sections					
			Hole SU001B Section B	Hole SU001B Section B	Hole SU001B Section	Hole SU002 Section	Hole SU002 Sample	Hole SU002 Section
			P8-9	P13-15	DB P20-22	AO1- 5	AO8-9	AO10-13
Seam Thickness (m)			2.16	4.26	3.61	2.46	1.34	5.11
Volatile Matter	24 to 39	19 to 44	32.02	15.56	32.54	33.42	32.66	38.4
Ash%	9 to 22	6 to 10	6.32	8.87	9.58	11.15	10.87	12.55
Crucible Swell Number	0 to 3	2 to 6	1.92	1.42	1.43	1.66	2.54	1.72
Total Sulphur %	0.4 to 1.2	0.3 to 0.8	0.25	1.02	0.29	0.25	0.26	0.33
Specific Energy (MJ/KG)	21 to 32	29 to 32	31.07	30.22	29.47	27.65	28.69	28.31

NOTE: Qualifiers are based on Quinn and Callcott, Australian Coal Association, 1994 Pf - Firing pulverised fuel power station PCI - Pulverised coal injection into blast furnaces

INFRASTRUCTURE

The Minerva spur line crosses the south east corner of EPC 1674. Springsure has been included in the recent planning processes commenced by QR National in relation to future upgrades of the coal chain rail system. Springsure is an applicant to export 2.5Mtpa from the 3TL port development at the Yarwun Precinct in Gladstone Harbour.



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ABOUT GUILDFORD COAL

Guildford Coal has established a portfolio of coal exploration tenement areas in Queensland, Australia and more recently in Mongolia with a combined JORC resource of **2.172 billion tonnes** across the Hughenden Project (Qld), South Gobi Project (Mongolia) and Middle Gobi Project (Mongolia). In addition to these resources, Exploration Targets[#] have been prepared for Projects managed by Guildford in Queensland and Mongolia of **0.975Bt to 8.893Bt** of thermal, PCI and coking coal. Please see the Resource Table provided over the page for more detail.

Guildford Coal's **Queensland** tenements cover an estimated area of 20,000 square kilometres and are defined within project areas as follows:

- Hughenden Project (Galilee / Eromanga Basins):
 - FTB (Qld) Pty Ltd (Guildford 100%)
 - Orion Mining Pty Ltd (Guildford 80%)
 - White Mountain Project (Guildford 56%)
- Springsure Project (Bowen Basin, Reids Dome Beds) (Guildford 50.52%)
- Sierra Project (Bowen Basin);
- Kolan Project (Maryborough Basin);
- Sunrise Project (Surat/Bowen Basin);
- Monto Project (Nagoorin Graben)

Guildford Coal also has an equity share in 7 tenements contained in two projects in **Mongolia** through its 70% shareholding in Terra Energy. The coal projects are located in the South Gobi and Middle Gobi coal bearing basins which contain thermal and coking coals.

Guildford Coal's key objective is to create shareholder value through the identification, securing and exploration and potential development of coal deposits. In order to achieve this objective, Guildford Coal intends to:

- Drill and assess existing exploration permits with the aim of establishing coal resources;
- Complement and diversify Guildford Coal's existing portfolio through application for and acquisition of additional coal assets;
- Undertake project development for high priority targets where economic coal deposits are proven; and
- Ultimately produce and sell a variety of coal products into export markets if successful in exploration objectives.

For and on behalf of Guildford Coal Limited.

MICK AVERY
Managing Director
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Guildford Coal	JORC Resources (Mt)				Exploration Target [#] (Mt)		Potential Coal Type	Independent Geologist
	Measured	Indicated	Inferred	Total	Lower	Upper		
Hughenden*		-	1,619	1,619	580	5,720	Thermal	MDM
White Mountain@		-	262	262	40	815	Thermal	MDM/Palaris/Xstract
Kolan^	-	-	-	-	60	400	Coking	MDM
Springsure					60	235	Thermal/PCI	MDM
AUSTRALIAN TOTAL	0	0	1,881	1,881	740	7,170		
North		39.7	30.7	70.4	14	73	Coking	MDM
Central					56	279	Coking	MDM
East					0	241	Coking/Thermal	Palaris
West					0	300	Coking/Thermal	Palaris
South Gobi Total	0	39.7	30.7	70.4	70	893		
Mid Gobi Total	0	32.3	189.1	221.4	165	830	Thermal	MDM
MONGOLIAN TOTAL	0	72.0	219.8	291.8	235	1,723		
TOTAL	0	72.0	2,100.8	2,172.8	975	8,893		

* The Hughenden Project consists of numerous tenements, and the Exploration Target[#] relates to the group of tenements. The Inferred Resource relates to EPC1477 and EPC1478.

@ The White Mountain Project consists of 262Mt JORC Inferred Resource developed by MDM on EPC1250 and EPC1260, an Exploration Target of 40Mt to 70Mt on EPC1250 estimated by Xstract and an Exploration Target of 0 to 745Mt estimated by Palaris on EPC1260

^ The Kolan Project consists of two tenements, EPC1872 and EPC2003.



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Exploration Target

References to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is important to note that in relation to reported Exploration Targets any references to quality and quantity are conceptual in nature. Exploration carried out to date is insufficient to be able to estimate and report coal resources in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Coal Resource.

Competent Persons Statement

Technical information in this report has been compiled by Mr Mark Biggs, Principal Geologist of Moultrie Database and Modelling. Mr. Biggs is a member of the Australasian Institute of Mining and Metallurgy (Member #107188) and has over 25 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2004. The resource information in this report is being released to the Australian Securities Exchange. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 30th March 2012 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code).

Forward Looking Statements

This Announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Guildford.