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GUILDFORD
COAL

28 March 2013

Company Announcements Office
ASX Limited

Market Update

Mongolian Operations Update

Guildford Coal Ltd (ASX: GUF) is pleased to advise mobilisation of earthmoving contractors to our South Gobi open pit coking coal mine in Mongolia has commenced. Activities will at this time be concentrated at the North Pit and focus on the following:

- As is standard practice, excavation of test pits for the purpose of extracting samples from the seams to further validate coal quality specifications. This will confirm coal quality projections for the first 6 months of production;

- Commencement of earthworks for construction of surface facilities including stockpile pads, accommodation camp, workshops, fuel bay, offices and surface roads;

- Commencement of overburden stripping to expose coal.

Intensity of these tasks will progressively ramp up throughout the April/May period.

Given the Project is now entering a dynamic phase further updates will be provided at more frequent intervals.

Corporate Update

Further to the ASX announcement yesterday regarding the new funding announcement further information is provided:

1. It will enable full repayment of the existing Gleneagles convertible bond which had a debt maturity of October 2013.

2. Materially extends the debt maturity for GUF out to September 2014 giving the company flexibility in its initial start-up phase at South Gobi.

3. Bondholder – The Bondholders are funds managed by OCP Asia Limited, an Asia-focused alternative investment fund manager.

   a. Issue size – A$39,4m

   b. Coupon rate – 12%

c. Bond type – Senior Secured Convertible Note

d. Conversion price – Floor $0.45 and cap of $0.75, a 21.6% to 102.7% premium to GUF's 26 March 2013 traded closing price of $0.37/sh.

Shareholders with any queries on the above amendments should contact Mr. Peter Westerhuis, Managing Director, on (07) 3005 1533.

Yours faithfully

Peter Westerhuis

Managing Director