



COUNTY COAL
LIMITED

14 September 2015

Dear Shareholder,

NON-RENOUCEABLE RIGHTS ISSUE OFFER

I refer to the Company's announcement to the ASX on 2 September 2015 in which details were advised of the Company's 1:1 Non-Renounceable Pro-Rata Rights Issue ("Rights Issue").

In summary, under the Rights Issue you are entitled to subscribe for 1 share for every 1 share held by you as at the Record Date (9 September 2015) at an issue price of \$0.005 (0.5¢) per share ("Issue Price"). For example, if you hold 1,000 shares as at the record date you will be entitled to subscribe for a maximum of 1,000 shares at the Issue Price. In the event any fractions of shares occur as a result of the subscription under the Rights Issue, your eventual shareholding will be rounded up to the nearest whole number.

You may subscribe for some or all of your entitlement under the Rights Issue.

Entities associated with the Chairman and several large shareholders in the Company have committed to subscribe for their entitlements totalling approximately \$160,000. Entities associated with the Chairman and several large shareholders have also, for a nominal consideration, underwritten any rights not subscribed for to the extent of \$325,000. No underwriter will be allocated shortfall shares which would result in their holding being greater than 19.9% of the Shares in the Company following completion of the Rights Issue.

The maximum number of shares to be issued under the Rights Issue is 100,275,004 assuming all of the 6,100,000 options on issue are exercised, although the Company does not anticipate any options will in fact be exercised. The Company expects to raise approximately \$470,875 under the Rights Issue.

Use of Funds

The purpose of the Rights Issue is to raise funds to be applied towards general administration costs and working capital requirements.

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Rights Issue Details

The Shares offered under the Rights Issue are in the same class of Shares held by you and the Company will seek their quotation on the ASX.

No disclosure document (prospectus etc.) accompanies the Rights Issue. Investment in equities is at your own risk and the Board recommends that you seek professional advice before deciding whether or not to take up the offer to you.

Accompanying this letter is a personalised Entitlement and Acceptance Form. If you wish to apply for any shares to which you are entitled, please follow the instructions on the Entitlement and Acceptance Form.

The Company released its Preliminary Final Report for the year ended 30 June 2015 on 27th August 2015. Full details of that report are shown on the Company's website at www.countycoal.com/index.php/investor-centre. Shareholders are encouraged to access this document.

The Closing Date under the Rights Issue is 5.00pm AEST on 23 September 2015.

Yours faithfully,

Terry Flitcroft
Company Secretary

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