



ASX Announcement

21 January 2014

Message from the Chairman

NuCoal has read the press release issued by the Premier yesterday afternoon regarding the Government's intention to cancel the Doyles Creek EL7270 and deny compensation by enacting special legislation. The sole reason given for the decision was that the ICAC had recommended it.

NuCoal's Chairman, Gordon Galt stated that "NuCoal is shocked and extremely disappointed by this decision. There has been no consultation at all in regard to this matter and given that only three working days have elapsed since our submission was lodged, it is difficult to believe that the decision to pursue the course announced by the Government was made with an mind open to persuasion and not pre-set. The submission could not have been given genuine consideration having regard to its length, the arguments raised in it and its technical detail. The submission clearly pointed out legal and factual errors in the bases used by the ICAC for its recommendation to cancel the EL, which have not been rebuffed, and unjust inconsistencies in the ICAC's recommendation compared to its recommendation in respect of the Yarrowa licence.

"The fact that no compensation is to be payable under the proposed legislation is grossly unfair, with even the ICAC itself suggesting that the Government consider paying compensation if it intended to legislate to cancel the EL. It is unacceptable that a Government considers that it has the right to take – with no compensation – the results of all the detailed exploration results NuCoal paid for and the many upfront payments NuCoal made – when it was the Government of NSW itself that insisted that we spend these funds in accordance with the conditions of the EL. When the Government reallocates the EL area it clearly intends to take and keep payments it receives for this information.

"NuCoal is nothing but an innocent party in this matter as was admitted by the Premier prior to the commencement of the ICAC inquiry. The decision has not drawn a line

ASX:NCR • Share Information

Issued Shares: 768.6m

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Board of Directors

Chairman:	G. Galt
Managing Director:	G. Lewis
Non Executive Director:	J. Beecher
Non Executive Director:	M. Davies
Company Secretary:	M. Etcell

Key Projects

Doyles Creek Mining Pty Ltd
Hunter Valley NSW
Tenement: EL7270
Ownership: 100%

Doyles Creek Underground Mine Training School
Contact: Maree Roberts

Dellworth Pty Ltd
Hunter Valley NSW
Tenements: EL6594 & EL6812
Ownership: 100%

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under the matter given that to date there has been no prosecution of any of the persons actually named as being corrupt by the ICAC. Ironically it appears that there will be no special legislation enacted to deal with them. The Government has focused on the easy target and the destruction of a demonstrably innocent company and its 3400 shareholders.

"As a result of this decision, the reputation of NSW is further damaged and significant questions of sovereign risk in regards to investment in the resources industry under this Government have been further confirmed.

"NuCoal will take whatever action is necessary to protect its interests and that of its shareholders, including by way of a constitutional challenge to the legislation once introduced."

For all media enquiries please contact:

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