



ASX: UND

ASX ANNOUNCEMENT

21 March 2014

UPDATE ON MAJOR SHAREHOLDER NOTICE

Further to the Company's trading halt request dated 11 March 2013 and its request for voluntary suspension dated 13 March 2014, U&D Coal Limited (**UND**) provides the following update.

As previously announced, UND has received a purported notice of exercise of statutory right under s737(1) of the *Corporations Act 2001* (Cth) (on the basis of an alleged contravention of s724 of the *Corporations Act* in respect of UND's replacement prospectus dated 5 December 2014) received by UND from its majority shareholder Australian Kunqian International Energy Co., Pty Ltd (**KQ**).

UND advises that, in the best interests of all shareholders, it has today initiated proceedings against KQ in the Supreme Court of Victoria seeking, amongst other orders, a declaration to the effect that the s 737 notice issued by KQ is invalid and unenforceable.

The Company is taking this course of action to ensure that the matters arising from KQ's s 737 notice are dealt with as quickly as possible and therefore to provide certainty to shareholders as soon as possible.

UND will provide further updates as and when it is able to do so.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Peter Edwards'.

Peter Edwards
Company Secretary

For further information please contact: *Peter Edwards, Company Secretary (Tel: +61 418 798 828)*

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