

16 May 2011

ASX: GUF

## SHARE INFORMATION

Issued Shares: 413m  
Listed Options: N/A  
Unlisted Options: N/A

## BOARD OF DIRECTORS

Chairman: T. Bellas  
Dep. Chairman: C. Ransley  
MD: M. Avery  
Non-Exec: M. Chester  
Director: N. St George  
Non-Exec: A. Griffiths

## WEBSITE

[guildfordcoal.com.au](http://guildfordcoal.com.au)

## REGISTERED OFFICE

Suite C1  
1 Honeysuckle Dr  
Newcastle, NSW, 2300

Phone: +61 (2) 4914 5910  
Fax: +61 (2) 4925 3505  
[info@guildfordcoal.com.au](mailto:info@guildfordcoal.com.au)

## KEY PROJECTS

HUGHENDEN (80%)  
Location:  
Galilee Basin, QLD

SIERRA (100%)  
Location:  
Bowen Basin, QLD

KOLAN (100%)  
Location:  
Maryborough Basin, QLD

SOUTH GOBI (20% with option to  
increase to 70%)  
Location:  
South Gobi Basin, Mongolia

## SIGNIFICANT COAL SEAMS INTERSECTION ON HUGHENDEN PROJECT – NORTH QUEENSLAND

- Drilling during the wet season has focused on Hughenden's EPC1477 located on a topographic high to reduce impact of the rains. The Permian target in this area is at depths potentially amenable to underground mining methods
- Drilling has intersected significant coal seams with an interpreted 11.9m of net coal from the Betts Creek Beds with multiple individual seams up to 5.5m in thickness. No coal quality is available for these intersections but subsequent holes will be cored
- This intersection is 70% thicker than expected and confirms the thick western extension of the coal seams contained within the Permian Betts Creek Beds
- An Exploration Target statement for the Hughenden Project will be released within 30 days
- Drilling is planned to relocate to shallower targets to the north on EPC1300 and EPC1478 located in lower lying areas not accessible during the wet season and following the completion of the current pattern of holes on EPC1477 designed to generate an underground JORC Inferred Resource
- Another drill rig has been secured to specifically target the potentially thicker extensions in the Eromanga Basin Blantyre coal sequence which is the Secondary Target on the Project that has shown some preliminary coking potential
- Two additional drills are also being mobilised to EPC1260 located on the White Mountain Project which is on the north eastern edge of the Galilee Basin where the Betts Creek sequence is known to outcrop

## COAL SEAMS INTERSECTED IN FIRST FOUR HOLES ON SOUTH GOBI PROJECT - MONGOLIA

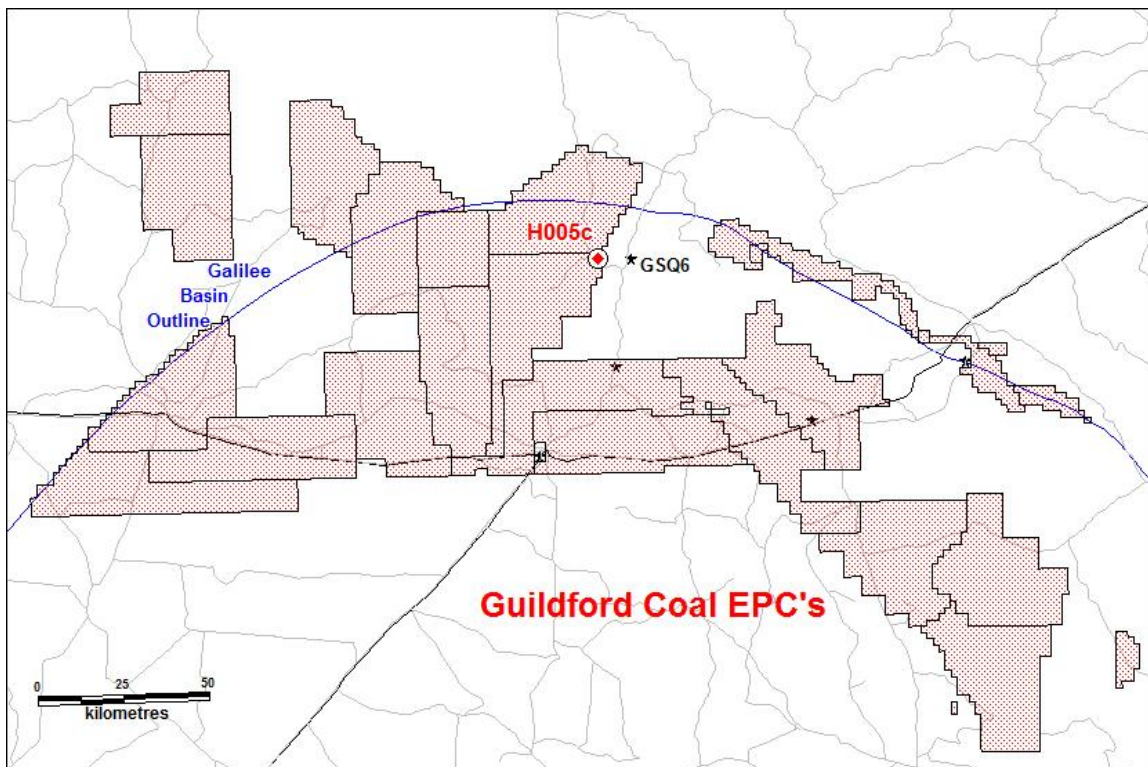
- Coal has been intersected at potentially open cut minable depths in the first 4 exploration holes in the South Gobi Project completed by the 3 drills in operation
- The coal intersections are to be confirmed by geophysical logging and are interpreted as 8m, 6m, 4m and 4m of net coal respectively for the four holes
- Coal outcrop has also been confirmed adjacent to these holes by recent field mapping
- A geological model will be developed with a view to being able to report an open cut JORC Inferred Resource
- A Mining License application is being prepared on the strength of these intersections when combined with historic drilling with a target lodgement by July 2011



**GUILDFORD**  
COAL

## HUGHENDEN PROJECT OVERVIEW

- Located in the northern end of the coal bearing Galilee Basin in Queensland, Australia
- Guildford holds an 80% equity share and 20% is held by Carpentaria Exploration Limited
- Covers approximately 16,500 square kilometres of exploration permit applications for coal of which an estimated 11,500 square kilometres have been granted
- Targeting substantial export thermal coal tonnages with open cut and underground mining potential
- Located in close proximity to infrastructure with the Mt Isa to Townsville rail line running across the project area
- Relatively uncomplicated geology of the Galilee Basin allows less intensive drilling to evaluate coal deposits



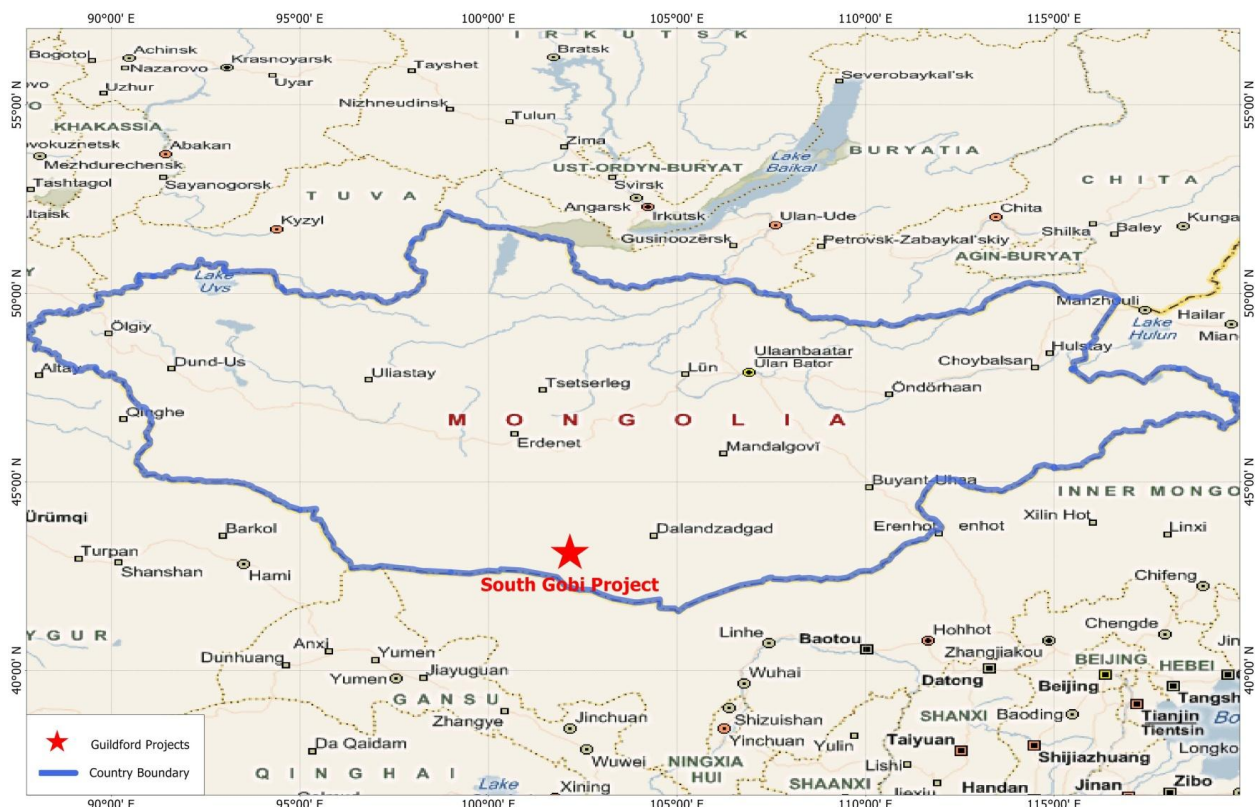
- A significant drill intersection of up to 11.9m of net coal has been recorded in drill hole H005c.
- The Permian Betts Creek Beds were intersected at 354.3m with the development of dull coal and continued to at least 407m. Extensive zones of carbonaceous muds and dull coal were also intersected within this interval.
- Internal to this interval, coal seams totaling 11.9m net were defined by geophysical logging and interpretation using the standard geophysical tool suite of short and long spaced density along with gamma and caliper tools.
- Significant and coherent seams were defined from 360.4m to 406m within which a cumulative or net total of coal of 11.9m is defined.
- More importantly the thickness of these seams was up to a maximum of 5.6m. Additional seams of 1.6m, 1.5m, 2.2m and 1m were interpreted.



**GUILDFORD**  
COAL

# SOUTH GOBI PROJECT OVERVIEW

- The Guildford South Gobi Project is located in the South Gobi Basin which is known to host premium thermal and coking coal deposits of Permian age
- South Gobi Project is the priority project which covers large open cut coal coking and thermal coal prospects consisting of 4 exploration licenses
- The South Gobi Project is well located in the South Gobi desert approximately 60km to the Chinese border and adjacent to two operating coal mines (SGS and MAK)
  - These mines produce in excess of 5 mtpa of high volatile bituminous coals which are marketed as a mixture of both thermal and coking coal products
  - Coal is currently sold ROM (unwashed) at mine gate to Chinese traders who transport the coal by truck to a Chinese border coal stockpile at Ceke where it is then transferred by rail to Chinese power stations and steel mills
  - Target customers are the growing Chinese markets in Gansu province, Inner Mongolia and Shanxi province
  - The South Gobi region and geology allows for low-cost production, with average ROM cash costs estimated at below US\$20/t
  - Selling prices for (unwashed) ROM coal are estimated at in excess of US\$40/t



Guildford Coal - South Gobi Project

Latitude / Longitude  
Lon: 103°50'13" E  
Lat: 46°51'39" N  
Printed at: 28/02/2011



## ABOUT GUILDFORD COAL

Guildford Coal has established a portfolio of coal exploration tenement areas in Queensland, Australia and more recently in Mongolia. 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 80%)
  - Orion Mining Pty Ltd (Guildford 80%)
  - White Mountain Project - EPC1250 (Guildford 100%)  
- EPC1260 (Guildford 51%)
- Kolan Project (Maryborough Basin);
- Sierra Project (Bowen Basin);
- Comet Project (Bowen Basin);
- Sunrise Project (Surat/Bowen Basin);
- Monto Project (Nagoorin Graben).

Guildford Coal has an equity share in 6 tenements contained in two projects in Mongolia through its 20% shareholding in Terra Energy LLC with the option to increase to a 70% shareholding. 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.

### **MICK AVERY**

*Managing Director*

*T: +61(2) 4914 5910*

### **Competent Persons Statement**

*The information in this report is based on information compiled by Mr Cameron Switzer, who is a Member of the Australasian Institute of Mining and Metallurgy (112798) and the AIG (3384) and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Switzer is the Exploration Manager for Guildford Coal Limited and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Switzer is an exploration geologist with in excess of 23 years experience spanning numerous commodities including coal, copper and gold.*

*The information in this report for South Gobi Project is based on information compiled by Dr Ian Stone, who is a Member of the Australasian Institute of Mining and Metallurgy (102087) and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Stone is Manager, Geology of Palaris Mining Pty Ltd and consents to the inclusion of the matters based on his information in the form and context in which it appears. Dr. Stone has over 30 years experience in exploration and mining of coal deposits.*

| Hole ID | East<br>(MGA94) | North<br>(MGA94) | RL    | Declination | Depth |
|---------|-----------------|------------------|-------|-------------|-------|
| H005c   | 223930          | 7747867          | 651.5 | 90          | 456.1 |

*Table 1 Details of Hole H005c*