

**Investor Presentation**  
**ASX:MBC**

June 2013

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- This presentation refers to a production target of 6 to 8 Mtpa ROM (100% basis) over an expected 20 year mine life. Malabar Coal Limited ("Malabar Coal") notes all the following material assumptions upon which this production target is based:
  - JORC Mineral Resources of 586Mt (100% basis) including 117Mt Indicated Mineral Resources and 372Mt Inferred Mineral Resources within the underground resource area;
  - Two longwall units in operation operating at 3 to 5 Mtpa ROM per unit (100% basis);
  - Further geological test work confirming the structural suitability of the coal seams for longwall mining;
  - Further geological test work confirming coal seam gas content at levels suitable for longwall mining; and
  - Coal clearance infrastructure constructed to a sufficient scale to handle 6 to 8 Mtpa ROM to the rail line.
- The JORC Mineral Resources referred to in this presentation which underpin the production target have been prepared by a competent person (see slide 13) in accordance with the JORC Code. The production target is based on Mineral Resources of 489Mt comprised of 117Mt Indicated Mineral Resources (24%) and 372Mt Inferred Mineral Resources (76%) within the underground resource area of the Spur Hill Underground Coal Project. There are no proved or probable ore reserves or an exploration target which underpins the production target.
- Please note that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in a further determination of Indicated Mineral Resources or that the production target itself will be realised.

# Corporate Overview

- Malabar Coal has a 27.7% interest in the Spur Hill Underground Coal Project as at 31 December 2012 and has the right to increase its interest to 80%
- Spur Hill is a large, underground, high quality coking and thermal coal project in the Hunter Valley region of NSW
- The board and management have extensive experience with a track record of constructing and operating new coal mines
- Malabar successfully listed on the ASX on 28 March 2013 raising \$20 million under the IPO

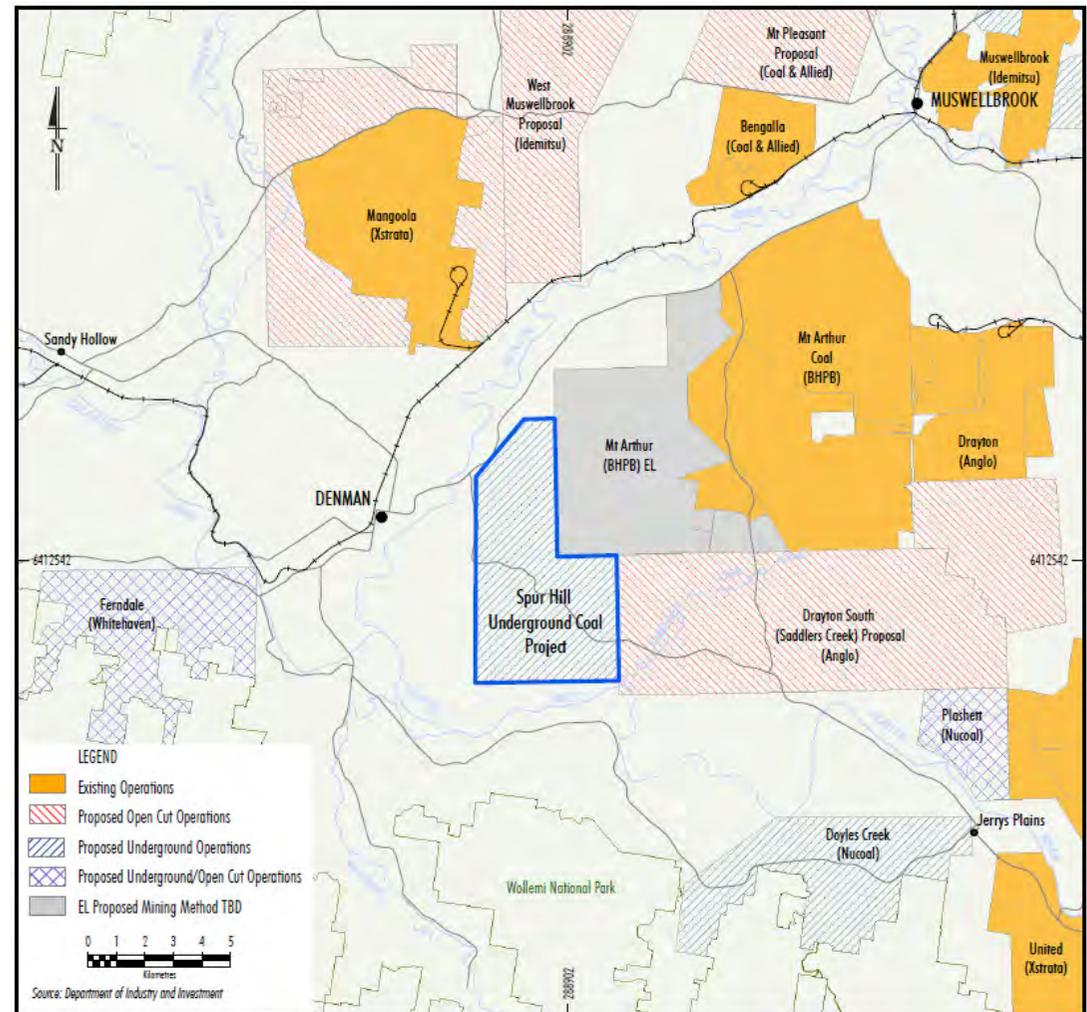
## Market information

|                                       |                |
|---------------------------------------|----------------|
| ASX Code                              | MBC            |
| Share price (as at 31 May 2013)       | \$0.35         |
| Total shares on issue                 | 85,000,000     |
| Options on issue                      | 1,075,000      |
| Market capitalisation (fully diluted) | \$30.1 million |
| Current cash (as at 31 March 2013)    | \$20.8 million |



# Spur Hill Coal Project

- ✓ **Large coking coal project** – 586Mt JORC Resources. Targeting 6-8 Mtpa ROM over a 20 year mine life
- ✓ **High quality, well-known coal seams** – includes ultra-low ash Soft Coking Coal and benchmark Semi-Soft Coking Coal
- ✓ **Proximity to infrastructure** – adjacent to established mines in the Upper Hunter Valley, within 5km from rail
- ✓ **Competitive operating costs** – expected average life of mine operating cost of \$60 / FOB tonne (excluding royalties)
- ✓ **Opportunity for growth** – experienced team with potential to identify and acquire other assets at low point in cycle
- ✓ **Scarcity of high quality coal investments** – few opportunities match Malabar's potential



Source: Department of Industry and Investment, Malabar Coal

# Resources

- JORC Mineral Resources of 586Mt of which;
  - 489Mt (117Mt Indicated, 372Mt Inferred) are within the underground area
- Initial target seams are the Wambo and Whynot. These are internationally recognised with the same seams mined at the Wambo mine (Peabody), Mt Thorley/Warkworth (Coal & Allied) and Bulga (Xstrata)
- Above and below the Whynot and Wambo seams there are at least three seams that provide subsequent mining targets (Bowfield, Warkworth, and Whybrow)

| Underground resource area |                            |                                | Underground JORC Mineral Resources |             |          |
|---------------------------|----------------------------|--------------------------------|------------------------------------|-------------|----------|
| Seam                      | Average Depth of Cover (m) | Average Seam Thickness ave (m) | Indicated Mt                       | Inferred Mt | Total Mt |
| Whybrow                   | 134                        | 2.6                            | 22.8                               | 27.5        | 50.3     |
| RCL                       | 162                        | 1.8                            | 14.2                               | 33.9        | 48.1     |
| Wambo                     | 218                        | 1.6                            | 2.5                                | 39.4        | 41.9     |
| Whynot                    | 215                        | 3.6                            | 28.8                               | 89.6        | 118.4    |
| Glen Munro                | 302                        | 1.6                            | 4.6                                | 9.6         | 14.2     |
| Woodlands Hill            | 335                        | 2.5                            | -                                  | 37.4        | 37.4     |
| Arrowfield                | 355                        | 2.5                            | 13.6                               | 0.9         | 14.5     |
| Bowfield                  | 396                        | 2.7                            | 21.4                               | 18.4        | 39.8     |
| Warkworth                 | 437                        | 2.3                            | 9.2                                | 114.8       | 124.0    |

**TOTAL**

**117.1**

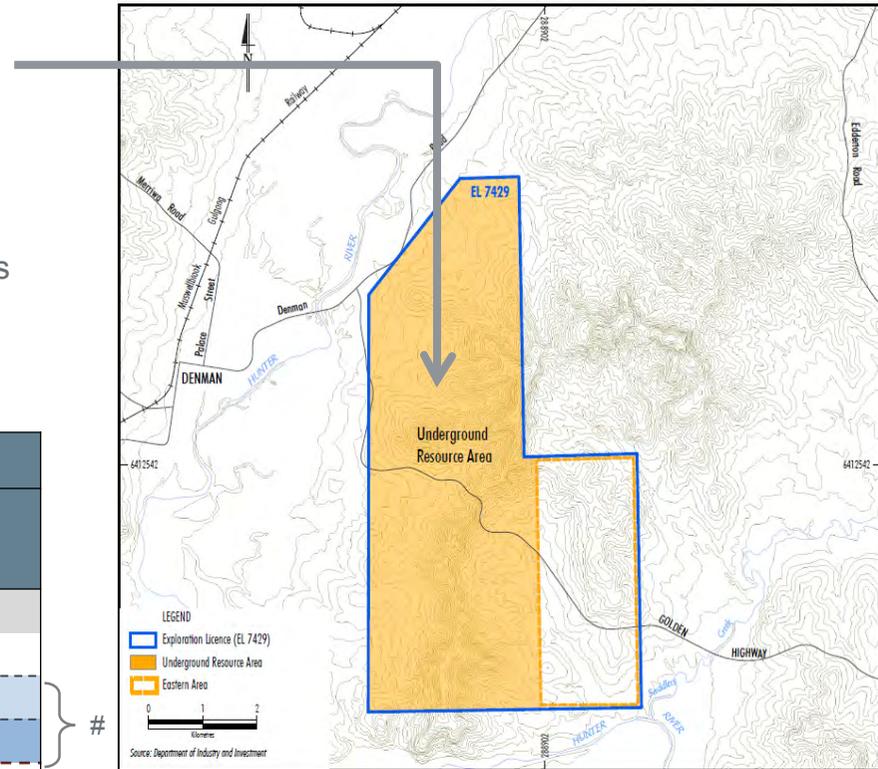
**371.5**

**488.6**



Initial seams

Targets for subsequent mining



# In certain locations, the Wambo and Whynot seams merge, providing an opportunity to mine together to optimise coal quality and yield

# Coal Quality

*The content of this slide is preliminary and may change materially when further coal quality work has been completed. References to expectations in this slide relate to the Coal Quality & Marketability assessment by coal marketing expert, MinAxis Pty Ltd\* in the Malabar Coal Replacement Prospectus, dated 1 March 2013*

## Ultra low-ash Soft Coking Coal

- Expected to be produced primarily from the Whynot seam
- Potential for use as a 'utility coal' in blast furnaces
- This product is expected to be sought after and is likely to demand a price premium of approximately 3% to the SSCC benchmark

## Benchmark Semi Soft Coking Coal

- Other target seams, including some sections of the Whynot seam, are expected to produce benchmark "Spur Hill SSCC"
- The Spur Hill SSCC has quality characteristics typical of other semi-soft coking coals being sold into the international market
- Anticipated to be priced at parity with the Hunter Valley SSCC benchmark price

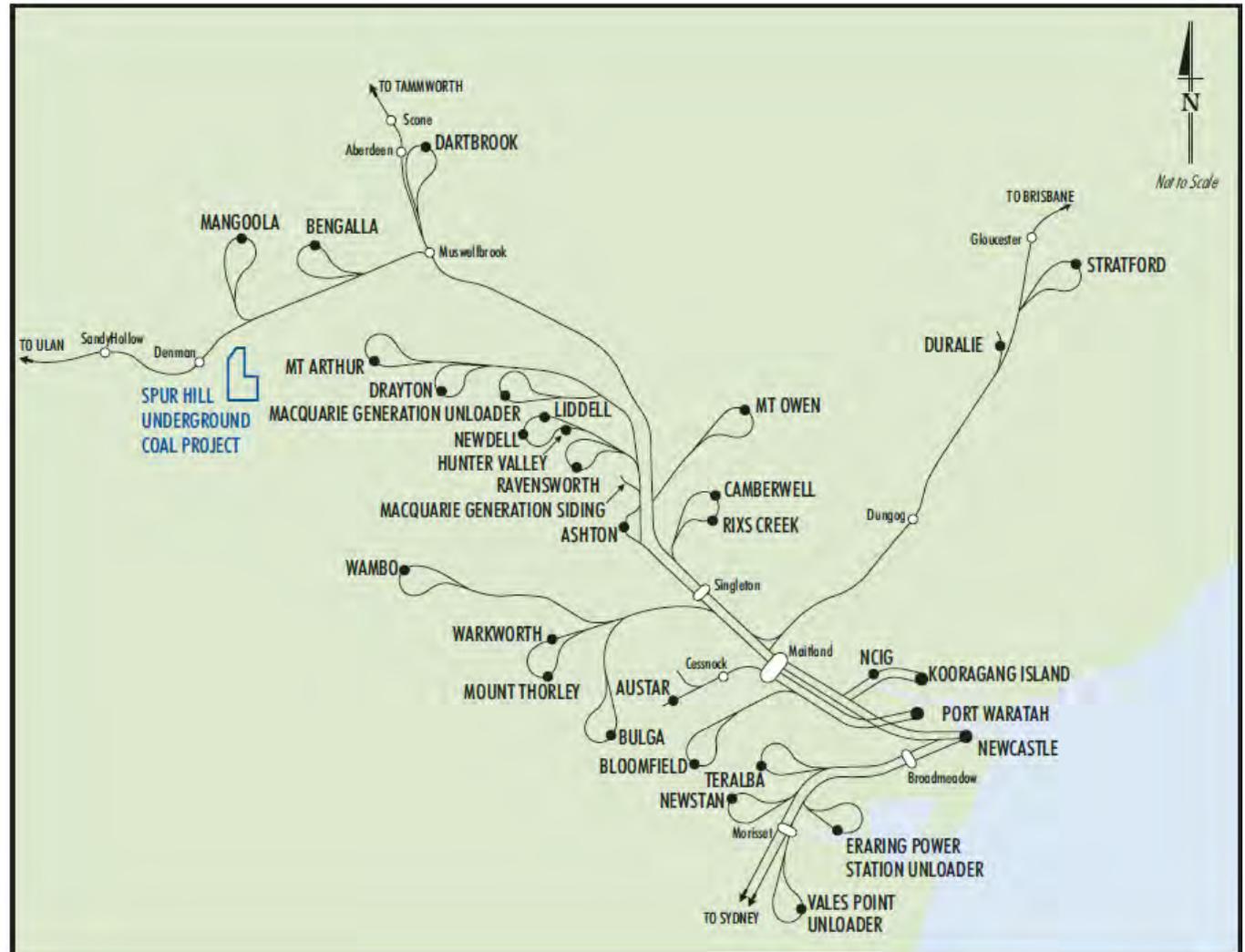
## Thermal Coal

- Spur Hill Thermal Coal is likely to be comparable in quality to most major high rank bituminous thermal coal brands exported from the Newcastle, Hunter Valley, the Western and Gunnedah Coalfields
- Spur Hill Thermal Coal product should achieve pricing approximately equivalent to the Australia-Japan benchmark, quality adjusted

\* MinAxis Pty Ltd, *Quality Assessment and Market Outlook*

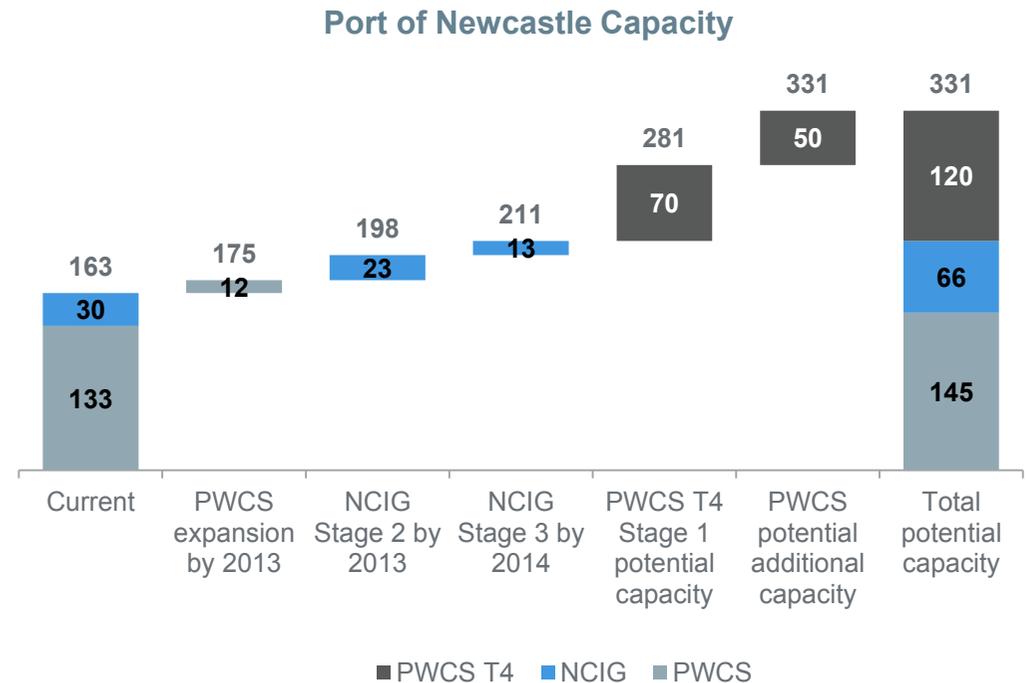
# Rail

- Project ideally located within 5km of the Hunter Valley Rail Network
- Multiple load points are available to Spur Hill, including:
  - A standalone rail loop; and
  - Rail sharing options with the various existing and proposed mines in the local area
- Planned increases in capacity are expected to be sufficient for Spur Hill's production



# Port

- The Port of Newcastle is 120 – 140 km from Spur Hill
- At Newcastle there are three coal terminals operated by two terminal operators, namely;
  - Port Waratah Coal Services (“PWCS”)
  - Newcastle Coal Infrastructure Group (“NCIG”)
- On 2 May 2012, PWCS announced it had accepted reductions in contracted tonnages hence;
  - There is currently no capacity shortfall to be fulfilled through the proposed T4 project, however;
  - PWCS is continuing to seek development approval for T4 to be able to fulfil its obligations under the Long Term Commercial Framework should a capacity shortfall occur
- If there is insufficient existing capacity and a terminal must be expanded to meet that demand, then under the Long Term Commercial Framework PWCS must provide capacity



# Approvals

## Gateway Process

- The NSW Government released its Strategic Regional Land Use Plan (SRLUP) in September 2012
- Spur Hill will be required to pass through the SRLUP Gateway
- An independent panel of experts (Gateway Panel) will assess the potential agricultural impacts of proposals
- The Gateway Panel will issue either an:
  - unconditional certificate: or
  - a certificate with conditions. (These will be requirements that must be addressed in the Development Application.)
- Although final Gateway criteria have not been released, the indicative criteria presented to date require consideration of whether the proposal would significantly reduce the agricultural productivity of Biophysical Strategic Agricultural Land, and/or significantly impact the Equine and/or Viticulture industries
- Malabar is comfortable with the Gateway process because Malabar is focussed on developing an underground mine

## Development Application framework

- Spur Hill will be assessed under Part 4 of the EP&A Act (NSW)
- Work is currently being undertaken in preparation for an Environmental Impact Statement (EIS)

# Conceptual Mine Plan

|                         |   |
|-------------------------|---|
| Production start        | <ul style="list-style-type: none"><li>• Development coal from late 2016</li><li>• First longwall commencing late 2017</li><li>• Second longwall commencing in 2020</li></ul>  |
| Production (100% basis) | <ul style="list-style-type: none"><li>• First longwall producing 3-5Mtpa ROM</li><li>• Second longwall increasing production to 6-8Mtpa</li></ul>   |
| Capex                   | <ul style="list-style-type: none"><li>• Total development costs for the first longwall of \$800 million (including contingency)</li><li>• Expected incremental capital cost of second longwall of \$400 million (including contingency)</li></ul> |
| Operating costs         | <ul style="list-style-type: none"><li>• A\$60/FOB t (excluding royalties)</li></ul>   |
| Mine life               | <ul style="list-style-type: none"><li>• 20+ years</li></ul>   |

# Project timeline

- Resource definition drilling program continues, with 22 fully-cored holes completed since the beginning of 2012
- Malabar is waiting for the establishment of the Gateway Panel and the requirements of the Gateway Application
  - On publication of the Application criteria, Malabar will immediately progress Spur Hill's submission
- Malabar continues to progress environmental baseline studies and infrastructure studies with the aim of submitting an EIS in Q2 2014

| Activities                                      | 2013 |    |    |    | 2014 |    |    |    | 2015 |    |    |    | 2016 |    |    |    | 2017 |    |    |    |
|---|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
|   | Q1   | Q2 | Q3 | Q4 |
| Ongoing infill drilling and resource definition | ■    | ■  | ■  | ■  | ■    | ■  | ■  | ■  |      |    |    |    |      |    |    |    |      |    |    |    |
| Environmental studies and approval              | ■    | ■  | ■  | ■  | ■    | ■  | ■  | ■  | ■    | ■  | ■  |    |      |    |    |    |      |    |    |    |
| Feasibility studies and planning                | ■    | ■  | ■  | ■  | ■    | ■  | ■  | ■  |      |    |    |    |      |    |    |    |      |    |    |    |
| Mining Lease approval                           |      |    |    |    |      |    |    |    | ■    | ■  |    |    |      |    |    |    |      |    |    |    |
| Construction                                    |      |    |    |    |      |    |    |    |      | ■  | ■  | ■  | ■    | ■  | ■  | ■  | ■    | ■  |    |    |
| Development coal                                |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    | ■  | ■    | ■  | ■  | ■  |
| Longwall coal                                   |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    | ■  |

# An experienced team

## Board

### Wavne Seabrook – Chairman



- More than 30 years of resources sector experience across all facets including; exploration, mine approvals, project construction , operations, project funding, and corporate finance.

### Hans Mende – Non-Executive Director



- President and founder of AMCI
- Extensive experience as a director of resources companies

### Andy Plummer – Non-Executive Director



- Over 35 years experience in the investment banking and mining industries
- Previously executive director of Whitehaven Coal and Excel Coal

### Simon Keyser – Non-Executive Director



- Over 20 years of finance sector experience, specialising in the resources and energy sectors

### Tony Galligan – Non-Executive Director



- Over 40 years experience in the Australian coal industry
- Previously Chairman of NCIG and General Manager Infrastructure at Whitehaven Coal

# An experienced team

## Management

### **Peter Doyle – Chief Executive Officer**



- Over 25 years experience in the coal sector
- Specific experience in project approvals and pre-development activities for coal projects in NSW

### **Graeme Booth – CFO & Commercial Manager**



- Chartered Accountant with a broad range of finance, commercial and coal experience over 20 years
- Most recently Group CFO of Ambre Energy Limited

### **Ian Morgan – Company Secretary**



- Chartered Accountant and Chartered Company Secretary, with over 30 years of experience
- Company Secretary of a number of other publicly listed companies

### **Bill Dean – Engineering Manager**

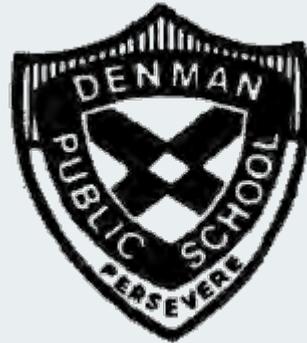
- Over 35 years of experience in the mining industry in senior site management roles

# Community contributions



**UPPER HUNTER**  
Wine & Food Affair

**Denman Aged Care**



**Denman & Sandy Hollow Junior  
Rugby League Football Club**



**Denman Rugby League  
Football Club**



**Upper Hunter  
Education Fund Inc**

**Dalswinton Rural Fire Service**

**Denman & District  
Development Association –  
Denman News**

**Malabar Coal is committed to making a positive contribution to the local community**

# Competent Persons Statement

The information in this Presentation that relates to Exploration Results and JORC Mineral Resources for the Spur Hill Coal Project is based on information compiled by Mr Darryl Stevenson. Mr Darryl Stevenson is the Principal Geologist and employee of Geological and Mining Services Australia Pty Ltd, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Darryl Stevenson is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Darryl Stevenson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.