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**ASX ANNOUNCEMENT / MEDIA RELEASE**

**17 September 2010**

### **Successful Completion of Institutional Placement and Institutional Entitlement Offer**

Cockatoo Coal Limited ("Cockatoo") is pleased to announce the successful completion of the institutional share placement ("Institutional Placement") and the institutional component of its accelerated renounceable entitlement offer ("Institutional Entitlement Offer"), which were previously announced to the market on 15 September 2010.

Cockatoo has raised a total of A\$112.7 million from institutional investors, including:

- A\$56.9 million under the Institutional Placement, priced at A\$0.45 per new share; and
- A\$55.8 million under the Institutional Entitlement Offer and shortfall bookbuild.

New shares in Cockatoo equivalent in number to entitlements not taken up were sold by way of an accelerated bookbuild process ("Institutional Bookbuild") on 16 September 2010, which resulted in a clearing price of A\$0.45 per new share, equivalent to a 7.2% discount to TERP<sup>1</sup>. Therefore institutional shareholders who elected not to take up their entitlements will receive A\$0.05 for each new share not taken up (less any applicable withholding tax).

The allotment and quotation of the approximately 265,992,379 new shares issued under the Institutional Placement, Institutional Entitlement Offer and Institutional Bookbuild is expected to occur on 24 September 2010.

### **Retail Entitlement Offer**

The retail component of the accelerated renounceable entitlement offer ("Retail Entitlement Offer") will open on 23 September 2010 and is expected to close at 5.00pm (Sydney time) on 11 October 2010.

Eligible retail shareholders in Cockatoo as at the record date (7.00pm Sydney time) on 20 September 2010 will be able to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer.

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<sup>1</sup> Theoretical ex-entitlement price of A\$0.485 per share based on the 10-day VWAP of Cockatoo shares up to and including 14 September 2010 of A\$0.526.

Full details of the Retail Entitlement Offer will be set out in a Retail Entitlement Offer booklet which is expected to be lodged with the ASX on 23 September 2010 and dispatched to shareholders on or around that date. Any eligible retail shareholder who wishes to acquire new shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with the personalised entitlement and acceptance form that will accompany the Retail Entitlement Offer booklet.

Retail shareholders who have any questions about the Entitlement Offer should contact the shareholder information line on 1300 552 270 within Australia or +61 3 9415 4000 from outside Australia at any time from 8:30am to 5.00pm (Sydney time) during the Retail Entitlement Offer period.

New shares equivalent in number to entitlements that are not taken up by eligible retail shareholders and those of ineligible retail shareholders will be offered by way of a bookbuild process to institutional investors on 15 October 2010. Retail shareholders who do not participate in the Retail Entitlement Offer and ineligible retail shareholders will receive any positive difference between the retail bookbuild price and the issue price for new shares of A\$0.40 per new share (less any applicable withholding tax).

Cockatoo will resume trading from market open today.

Issued by: Cockatoo Coal Limited

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