

HD Cuesta **Coal** strengthens balance sheet with placement

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Sydney - Monday - May 19 (RWE) - Cuesta **Coal** Limited (ASX: CQC) announces that it has executed a Share Subscription Agreement with the **company's** major shareholder, Longluck Investment (Australia) Pty Ltd, a wholly owned subsidiary of Beijing Guoli **Energy** Investment Co, to raise \$8.5 **million**.

In addition, Beijing Guoli has committed a further \$6.5 **million**, with settlement three months following settlement of the Stage 1 Placement ("Stage 2 Placement").

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Each of the Stage 1 Placement and Stage 2 Placement (collectively "the Placement") are conditional on Cuesta shareholder approval and various regulatory approvals.

The issue price for the Placement is 10.3 cents per share, which represents a 10% premium to the 30 day VWAP and a 15% premium to the last traded price.

Placement funds will be applied to advancing the Definitive Feasibility Study ("DFS") for the **company's** flagship development project, Moorlands and repayment of the \$5 **million** Convertible Note liability associated with the **acquisition** of the Orion **Coal** Project (EPCs 775 and 776 contained in the Moorlands Project) in 2012.

Terms of the Share Subscription Agreement: The following are key terms and conditions of the Share Subscription Agreement with Longluck:

** Stage 1 Placement of \$8.5 **million** via the issue of approximately 82.5 **million** new ordinary shares to Longluck.

** Stage 2 Placement of \$6.5 **million** via the issue of approximately 63.1 **million** new ordinary shares to Longluck, three months following settlement of the Stage 1 Placement.

** Issue price of 10.3 cents per share, a 10% premium to the 30 day VWAP and a 15% premium to the last traded price.

** The Placement is subject to **Chinese** Regulatory, FIRB, noteholder and Cuesta Shareholder approval.

CO ccoalz : Cuesta Coal Limited

IN i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS cnatrd : Natural Reserves/Resources Discovery | c24 : Capacity/Facilities | ccat : Corporate/Industrial News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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