



NOTICE OF GENERAL MEETING

Cockatoo Coal Limited (**Company**) gives notice that a General Meeting of members is to be held at Level 3, 66 Hunter Street, Sydney, NSW, 2000 on 23 April 2013 at 11.00 am.

ORDINARY BUSINESS

1. APPROVAL OF THE ISSUE OF SHARES TO EMPLOYEES

'That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to 6,000,000 ordinary shares as remuneration to employees of the Company in accordance with the terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved'.

Recommendation

The Directors recommend that you vote in favour of this resolution.

2. RATIFICATION OF THE PRIOR ISSUE OF OPTIONS TO SK NETWORKS, CO., LTD

'That, for the purposes of the ASX Listing Rule 7.4 and for all other purposes, the prior issue on 16 April 2013 of up to 150,000,000 options over shares in the Company to SK Networks, Co., Ltd on the terms as set out in the Explanatory Memorandum attached to this Notice of Meeting, is approved'.

Recommendation

The Directors recommend that you vote in favour of this resolution.

VOTING EXCLUSION STATEMENT

Under Rule 14.11 of the ASX Listing Rules, the Company will disregard any votes cast on the Resolution 1 and Resolution 2 by the following persons:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Resolution 1 – Approval of the issue of shares to employees of the Company (ASX Listing Rule 7.1)	<ul style="list-style-type: none"> Employees entitled to receive shares as remuneration and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and any associates of employees of the Company.
Resolution 2 – Ratification of the prior issue of options to SK Networks, Co., Ltd (ASX Listing Rule 7.4)	<ul style="list-style-type: none"> SK Networks, Co., Ltd.; and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and any associates of SK Networks, Co., Ltd.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy appointment form; or
- it is cast by the Chairman of the meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy appointment form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

By order of the Board

A handwritten signature in black ink, appearing to read 'L. O'Dwyer', followed by a long horizontal flourish.

Lee J. O'Dwyer
Company Secretary

21 March 2013

NOTES

These Notes form part of the Notice of General Meeting.

The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00pm on 21 April 2013.

Appointment of proxies

Each member entitled to vote at the General Meeting may appoint a proxy to attend and vote at the General Meeting.

A proxy need not be a member of the Company and can be an individual or a body corporate.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Lodgement of proxy documents

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

By mail or delivery:	By fax:
Level 2 66 Hunter Street Sydney NSW 2000 Australia	+61 2 9221 6333

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

EXPLANATORY NOTES, COMMENTARY AND RECOMMENDATIONS

This information forms part of the Notice of General Meeting.

Resolution 1 – Approval of the issue of shares to employees

As part of remuneration to the Company's employees, Resolution 1 proposes the issuing of shares in the Company with the following principal terms and conditions:

- Class of securities to be issued: Fully paid ordinary shares
- Number of options to be issued: Up to 6,000,000
- Issue price: \$Nil
- Vesting conditions: None

All shares issued under Resolution 1 may be allotted immediately following shareholder approval at the General Meeting and, in any event, within three months following the close of the meeting. No funds will be raised from the issue of the shares. The shares will rank equally with existing shares on issue.

The shares which may be granted are remuneration to employees to recognise their contribution to the Company. The Directors consider that the remuneration represented by these shares is a cost effective and efficient incentive offered by the Company when compared with alternative forms of incentive such as cash bonuses or increased remuneration.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

By approving this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by:

- Employees entitled to receive shares as remuneration; and
- any associates of employees entitled to receive shares as remuneration.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy appointment form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

Resolution 2 – Ratification of the prior issue of options to SK Networks, Co., Ltd

On 18 December 2012, the Company announced it had entered into an agreement to extend the maturity of the KEB Australia Ltd loan facility ('Facility') to 28 June 2013. The Facility benefits from a guarantee from SK Networks, Co., Ltd ('SKN') to KEB Australia Ltd ('Guarantee'). SKN is the ultimate parent entity of SK Networks Resources Australia Pty Ltd, an existing shareholder of the Company. The Company has agreed to issue up to 150 million options at an exercise price of \$0.125¹ per share, as consideration for SKN providing an extension to the Guarantee.

The Company has agreed to issue 90 million options and will issue no further options to SKN if the loan to KEB Australia Ltd has been repaid by 15 April 2013. If the principal loan balance outstanding to KEB Australia Ltd on 15 April 2013 is equal to or less than \$60 million, a further 30 million options will be issued to SKN. If this balance is greater than \$60 million, a further 60 million options will be issued to SKN. As the exact number of options to be issued is unknown at the date of this Notice, the exact number of options that will be issued will be confirmed to the market by way of an ASX announcement on 16 April 2013 when the options are issued, and as well as at the General Meeting.

The options issued under Resolution 2 allow for the rights of the optionholder to be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The optionholder cannot participate in new issues without exercising the options.

The options will be granted to SKN on 16 April 2013 under the ASX Listing Rule 7.1 15% capacity. As the issue of these options will take place prior to the date of the General Meeting on 23 April 2013, the Company is seeking a ratification of the issue of options to SKN for the purposes of ASX Listing Rule 7.4.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Details of the proposed issue of options, as required by ASX Listing Rule 7.4 are as follows:

- Class of securities issued: Unquoted options over ordinary shares
- Number of securities issued: Up to 150,000,000
- Issue price: \$Nil
- Exercise price: \$0.125¹
- Vesting conditions: None
- Expiry date: 15 October 2014
- Allottee: SK Networks, Co., Ltd

¹ If Cockatoo undertakes a pro rata issue or implements a reorganisation of capital, the options (including the exercise price) will be treated in accordance with ASX Listing Rule 6.22.

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- SK Networks, Co., Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associates of SK Networks, Co., Ltd.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy appointment form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

PROXY APPOINTMENT FORM

COCKATOO COAL LIMITED
ABN 13 112 682 158

NOTICE OF GENERAL MEETING

Name and address of member or joint members

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Appointment of proxy

I/We, being a member/s of Cockatoo Coal Limited and entitled to attend and vote, appoint

Full name of individual or body corporate proxy (please print)

or if that person fails to attend or, if no person is named, the Chairman of the meeting to attend, act generally and vote as directed below, or, if no directions are given, as the proxy or the Chairman sees fit, at the General Meeting of the Company to be held on 23 April 2013 at 11.00 am, and at any adjournment.

Voting directions to your proxy – please mark **X** to indicate your directions

Business

Resolution	For	Against	Abstain*
1 - Approval of issue of shares to employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 - Ratification of the prior issue of options to SK Networks, Co., Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item of business, you are directing your proxy not to vote on that item on a show of hands or on a poll and your shares will not be counted in computing the required majority on a poll.

Signatures of individual member, joint individual member, attorney or company member

Member, Attorney or Joint Member

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Sole Director and sole Company Secretary

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Director

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Director/Company Secretary (delete one)

Contact name

Contact daytime telephone

Date

INSTRUCTIONS FOR COMPLETION OF PROXY APPOINTMENT FORM

Your name and address

This is your name and address as it appears on the register of members of the Company. If this information is incorrect, please make the correction on the Proxy Appointment Form. **Please note that you cannot change ownership of your shares using this Proxy Appointment Form.**

Appointment of proxy

If you are entitled to vote at the meeting you have a right to appoint a proxy and should use this Proxy Appointment Form. The proxy need not be a member of the Company and can be an individual or a body corporate.

If you wish to appoint someone other than the Chairman of the meeting as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you leave the box blank, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and vote on your behalf.

Your proxy's authority to speak and vote for you at the meeting is suspended if you are present at the meeting.

Voting directions to your proxy

You may direct your proxy how to vote by marking **X** in one of the three boxes opposite each item of business. All your votes will be cast in accordance with your direction, unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by this Proxy Appointment Form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy will vote as he or she chooses. If you mark more than one box relating to the same item of business any vote by your proxy on that item will be invalid.

Appointing a second proxy

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you wish to appoint a second proxy, an additional Proxy Appointment Form may be obtained by telephoning the Company or you may copy this form. Both Proxy Appointment Forms should be lodged together.

If you appoint two proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, each proxy may exercise half of the votes (ignoring fractions).

If you appoint two proxies, neither proxy will have a right to vote on a show of hands.

If you appoint another member as your proxy, that person will have only one vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

Signing instructions

This Proxy Appointment Form must be signed and dated by the member or the member's attorney. Any joint member may sign.

If this form is signed by an attorney and you have not previously lodged the power of attorney with the Company for notation, please attach a certified copy of the power of attorney to this form when you return it.

If the member is a company that has a sole director or a sole director who is also the sole company secretary, this form must be signed by that person. Otherwise, this form must be signed by two directors or one director and a company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of Proxy Appointment Form

Proxy Appointment Forms and proxy appointment authorities, for example, the original or a certified copy of the power of attorney (if the Proxy Appointment Form is signed by an attorney) must be received:

- at Level 2, 66 Hunter Street, Sydney NSW 2000 Australia; or
- by fax, on fax number +61 2 9221 6333,

not later than 48 hours before the time appointed for holding the Annual General Meeting.

Documents received after that time will not be valid for the scheduled meeting.

Privacy

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act 2000* (Cth). Information is collected to administer your shareholding which may not be possible if some or all of the information is not collected.