



**ALLEGIANCE COAL
LIMITED**

27 November 2012

Mr Dave Filov
Adviser, Listings
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email only

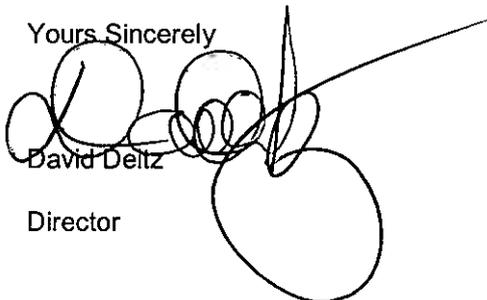
Dear Dave

**Allegiance Coal Limited (AHQ) ('Company') – Appendix 3Y – Change of Director's
Interest Notice**

I refer to your letter of 23 November 2012 querying the Appendix 3Y notice lodged for Mr Colin Randall on 22 November 2012 and respond to your questions as follows:

1. The Appendix 3Y was lodged late due to an oversight by Mr Randall. Upon becoming aware of this omission, which arose by reason of a restructure and reorganisation of Mr Randall's personal entities, Mr Randall immediately sought to ensure that the Company was fully and correctly notified and a detailed Appendix 3Y was promptly lodged by the Company.
2. The Company has a Securities Trading Policy which requires each of its directors ('Directors') to provide the Company with details of their notifiable interests and to notify the Company of any changes to these interests within 3 business days after the change occurs. . The Company is entering into agreements with each of its directors ('Directors') requiring them to provide the Company with details of their notifiable interests and requiring them to notify the Company of any changes to these interests within 3 business days after the change occurs.
3. The Company considers that the current arrangements in place to ensure compliance with Listing Rule 3.19B are sufficient and that this matter has served to remind Directors of their obligations under the Listing Rules.

Yours Sincerely



David Deitz

Director

Registered office:

Ph: (02) 9397 7555; Fax: (02) 9397 7575
Street address: Level 13, 49-51 York Street,
Sydney NSW 2000
Postal address: GPO Box 2703
Sydney NSW 2001

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity: Allegiance Coal Limited	
ABN:	47 149 490 353

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Colin Randall
Date of last notice	22 August 2012

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Both
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	C RANDALL & ASSOCIATES PTY LTD a company controlled by Colin Randall ATHLIT RESOURCES PTY LTD a company controlled by Colin Randall AUSTRALIAN COAL CHAIN PARTNERS PTY LTD a company controlled by Colin Randall AVENIR MAKATEA PTY LTD a company controlled by Colin Randall STIPS INVESTMENTS PTY LTD a company controlled by Colin Randall DRONEEN PTY LTD As trustee for the Randall Family Trust where Colin Randall is a Director of the trustee and a beneficiary of the trust
Date of change	As per Schedule 1

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

No. of securities held prior to change	<p>MR COLIN RANDALL 137,165 Ordinary Shares 1,700,000 May 2016 Options</p> <p>C RANDALL & ASSOCIATES PTY LTD 25,000,000 Ordinary Shares</p> <p>ATHLIT RESOURCES PTY LTD 10,000 Ordinary Shares 2,500 March 2014 Options</p> <p>AUSTRALIAN COAL CHAIN PARTNERS PTY LTD 10,000 Ordinary Shares 2,500 March 2014 Options</p> <p>AVENIR MAKATEA PTY LTD 10,000 Ordinary Shares 2,500 March 2014 Options</p> <p>STIPS INVESTMENTS PTY LTD 10,000 Ordinary Shares 2,500 March 2014 Options</p> <p>DRONEEN PTY LTD 10,000 Ordinary Shares 2,500 March 2014 Options</p>
Class	<p>Ordinary Shares March 2014 Options</p>
Number acquired	<p>2,695,000 Ordinary Shares 12,500 March 2014 Options</p>
Number disposed	
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	<p>\$269,500</p>
No. of securities held after change	<p>MR COLLIN RANDALL 2,637,165 Ordinary Shares 1,700,000 May 2016 Options</p> <p>C RANDALL & ASSOCIATES PTY LTD 25,000,000 Ordinary Shares</p> <p>DRONEEN PTY LTD 245,000 Ordinary Shares 25,000 March 2014 Options</p>
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	<p>2,695,000 Ordinary shares off market trade 12,500 March 2014 options off market trade</p>

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

+ See chapter 19 for defined terms.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – + Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	Not applicable
If prior written clearance was provided, on what date was this provided?	Not applicable

+ See chapter 19 for defined terms.



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2 The Esplanade
PERTH WA 6000

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PERTH WA 6840

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www.asx.com.au

23 November 2012

Mr Graham Hurwitz
Company Secretary
Allegiance Coal Limited
Level 13, 49-51 York Street
SYDNEY NSW 2000

By email: graham.hurwitz@hgpl.com.au

Dear Graham

Allegiance Coal Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 22 November 2012 regarding a change of director's interest notice for Mr Colin Randall ("Appendix 3Y").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicates a change in Mr Randall's notifiable interest first occurred as early as 3 September 2012, the Appendix 3Y should have been lodged with the ASX by 10 September 2012. As the Appendix 3Y was lodged on 22 November 2012 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to Dave.Filov@asx.com.au or by facsimile on facsimile number +61 8 9221 2020. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Tuesday 27 November 2012**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Dave Filov
Adviser, Listings (Perth)