



TerraCom Limited
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terracomresources.com

10th May 2019

ASX Announcement

TerraCom Limited A\$63 million Restructuring

TerraCom Limited (**TER** or the **Company**) is an ASX listed coal miner with two operating mines in Queensland and Mongolia.

Restructuring

In accordance with its forward strategy, the Company is pleased to announce the launch of a fully underwritten, pro-rata non-renounceable entitlement offer at \$0.58 per share (10% discount to the 30 day VWAP) to raise approximately A\$35 million (**Entitlement Offer**). Eligible Shareholders will be entitled to apply for 3 shares for every 20 shares (**New Shares**) held on the record date (15 May 2019).

Petra Capital Pty Ltd is acting as lead manager, bookrunner and underwriter to the Entitlement Offer (**Underwriter**).

The Entitlement Offer is fully sub-underwritten by existing shareholders Bonython Coal No 1 Pty Ltd, Noble Resources International Pte. Ltd and, as well as Mistlake Pty Ltd (**Sub-Underwriters**).

The Company has also entered into a US\$20 million convertible bond (**Convertible Bond**) with shareholder, OCP Asia. The Convertible Bond has an exercise price of A\$0.696, term of 3 years and a coupon of 9.95% per annum.

Funds raised from the Entitlement Offer and Convertible Bond will be used to reduce debt and provide expected condition precedent funding in order to finalise the Company's refinancing of its balance sheet. Following completion of the Entitlement Offer and upon the conversion of the Convertible Bond, the cash interest costs of the Company will reduce by approximately A\$8 million per annum.

Following the completion of the refinancing of the Company's Euroclear listed bond, the Company expects the cash interest costs to reduce by approximately A\$16 million per annum.

Wal King, Chairman said "The funds raised will significantly reduce the Company's cost of debt and provide vital leverage in the final negotiation of refinancing existing debt."

It will provide the Company with expansion and business development opportunities with its new restructured Balance Sheet ... as well as providing the opportunity for the Board in due course to deliver on its short term goal of paying a maiden dividend to shareholders."

Further information is included in the Company's investor presentation lodged with the ASX today.

Entitlement Offer Timetable

Event	Date
Announcement Date	
Company to announce Entitlement Offer and release Offer Announcement, Investor Presentation Materials, Cleansing Notice and Appendix 3B to ASX (by 10.00am)	Friday, 10 May 2019
Record date (7.00pm)	
Company releases Offer Booklet to ASX (by 10.00am)	Wednesday, 15 May 2019
Opening Date	
Entitlement Offer opens (10.00am)	
Despatch Date	Monday, 20 May 2019
Company to complete despatch of Offer Booklet and Entitlement and Acceptance Forms. Entity announces that offer documents have been sent to holders.	
Closing Date Entitlement Offer closes (5.00pm)	Wednesday, 29 May 2019
Results of Entitlement Offer Date	Monday, 3 June 2019
Allotment of New Shares issued under Entitlement Offer	Wednesday, 5 June 2019
Normal ASX trading for New Shares commences	Thursday, 6 June 2019
Company to despatch holding statements	Thursday, 6 June 2019

Dates and times in this announcement are indicative only and subject to change. All dates and times are references to AEST time.

TerraCom, with the consent of the Underwriter and Sub-Underwriters, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. TerraCom reserves the right to extend the Closing Date, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their acceptances as soon as possible after the Entitlement Offer opens.

Shareholder Enquiries

Eligible Shareholders will be sent further details about the Entitlement Offer in an Offer Booklet (a copy of which will be announced shortly after release of this announcement). Eligible Shareholders should read the Offer Booklet carefully before making any investment decision regarding the Entitlement Offer.

Shareholders who have questions relating to the Entitlement Offer should call the Company on +61 7 4983 2038 between 9:00am and 5:00pm (AEST time) on business days during the offer period for the Entitlement Offer.

For further information, contact:

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Wal King AO
Chairman