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Listed Company Relations  
New Zealand Exchange Limited  
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### **Bathurst's Business Efficiency Review Delivers Cash Positive Quarter**

Following the implementation of a business efficiency review across the company early last year, as flagged in the announcement of 25 February 2014 "Bathurst Knuckles Down to Preserve Value", the company was pleased to release its December Quarterly Report demonstrating a positive operating cash flow, with costs reduced across the business.

The aim of the review, which remains ongoing, is to streamline the business process and systems, and ensure the company is appropriately resourced for sustainable operations in the current market. The changes resulting from the review have delivered to date a drop in cash operating costs by over 25% to under NZ\$115/tonne mined.

The review has resulted in changes to most aspects of the business and has reduced the number of positions in the company, with some 30 positions being made redundant across operations earlier in 2014, the board being reduced to three last November and now, having successfully implemented the review, the executive management team is to be reduced by four.

Bathurst's Managing Director, Hamish Bohannon, said "It is always a difficult decision to reduce staff numbers. These organisational changes are necessary to ensure our operations continue to remain sustainable.

"Bathurst's domestic operations are well established and competitive in the current market. The company is now in an even stronger position to meet the challenges associated with a weaker commodity price environment with all-in sustaining costs at our operating mines allowing for healthy margins at prevailing prices.

By focusing on improving efficiencies we will maximise the value of our existing operations through enhanced margins and cash flow generation".

Energy demand in the agri-sector on the South Island is expected to increase over the next few years. Bathurst believes that the measures currently being taken leave the company well positioned to benefit from any increased demand and able to quickly transition its export operations to full development when international coking coal markets recover.

On behalf of Bathurst Resources Limited

A handwritten signature in black ink, appearing to read 'Hamish Bohannon', written over a light grey circular background.

Hamish Bohannon  
Managing Director