

TAKEOVER UPDATE

12 March 2019

Dear Riversdale Shareholder,

Further to our letter dated 2 March 2019, I would like to update you on our priorities at Riversdale in relation to the conditional off-market takeover offer (**Hancock Offer**) from Hancock Corporation Pty Ltd a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**Hancock**).

There is significant activity underway to ensure Riversdale shareholders are fully informed about the implications of the Hancock Offer.

The Riversdale Board¹ has appointed a team of advisors, including Macquarie Capital and Ashurst to assist it in assessing and responding to the Hancock Offer. We have also engaged Grant Thornton to prepare an Independent Expert's Report that will contain an independent valuation of Riversdale and its opinion as to whether the Hancock Offer is fair and reasonable and the reason for its opinion.

Until we are in a position to assess and respond to the Hancock Offer, the Riversdale Board¹ continues to recommend that shareholders **take no action** with respect to the Hancock Offer. There will be **plenty of time** for you to accept the Hancock Offer, if that is what you decide to do.

Maximising Value for Shareholders

Given that Riversdale is in a potential change of control situation, a number of well-credentialed parties have expressed interest in Riversdale and its Grassy Mountain Project. **This is not surprising as Tier 1 coking coal projects such as the Grassy Mountain Project are scarce and quality coking coal assets tend to be concentrated in the hands of a few major global players.**

At this stage it is too early to tell whether a higher offer will eventuate, but we will keep you informed of all material developments and will continue to progress our engagement with interested parties.

Take No Action

You will shortly receive a Bidder's Statement from Hancock. Hancock is required to keep the offer open for a minimum of one month. You should not accept the offer prematurely, but should wait until the Board has provided you with the formal response and recommendation in its Target's Statement which will be accompanied by an Independent Expert's Report.

There will be **plenty of time** for you to accept the Hancock Offer after you receive the Target's Statement, if that is what you decide to do.

If you accept the Hancock Offer early, you may not be able to accept a more attractive offer from another party should one eventuate.

¹ Excluding Mr Tad Watroba, the Director appointed by Hancock who is also a director of Hancock Corporation Pty Ltd and has declared a conflict in relation to the Company's response to the Hancock Offer.

Target's Statement and Independent Expert's Report

You will receive Riversdale's Target's Statement on or before 28 March 2019. The Target's Statement will contain a formal recommendation for shareholders and Grant Thornton's Independent Expert's Report.

For more information

We have appointed a dedicated resource to help with shareholder questions. Please call Philip Baker on (+61) 2 8298 6106 if you have any questions.

Riversdale will keep its shareholders fully informed of all material developments.

Yours Sincerely,



Gary Lawler
Chairman
Riversdale Resources

|
|

|
|