



GLOUCESTER COAL

GLOUCESTER COAL LTD

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5 October 2006

Companies Announcements Office
Australian Stock Exchange

DIVIDEND REINVESTMENT PLAN – PRICING FOR FINAL DIVIDEND

Gloucester Coal Ltd (ASX: GCL) advises that participants in the Gloucester Coal Dividend Reinvestment Plan (DRP) will be allotted ordinary shares under the DRP at the price of \$3.48 each, inclusive of a discount of 2.5%.

In accordance with the DRP rules, this price represents the arithmetic average of the daily volume weighted average sale price for the fully paid ordinary shares in the capital of Gloucester Coal sold on the Australian Stock Exchange for the 10 trading days after 20 September (two days after record date of 18 September 2006) rounded down to the nearest cent, less a discount of 2.5%.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Tudor', is placed over a light grey rectangular background.

Barry Tudor

Company Secretary