

16 May 2011

The Manager
Company Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Notice under section 708AA(2)(f) of the Corporations Act 2001 as modified by ASIC Class Order o8/35

This notice is given by Gloucester Coal Ltd (ABN 66 008 881 712) (**Gloucester**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) as modified by Australian Securities and Investments Commission Class Order o8/35 (**CO o8/35**).

Gloucester has announced on 16 May 2011 an accelerated pro-rata entitlement offer (**Rights Issue**) of 2 fully paid Gloucester ordinary shares (**New Shares**) for every 11 Gloucester shares held as at 7.00pm (AEST) on 12 May 2011 (**Record Date**) by shareholders with a registered address in Australia or New Zealand and any other jurisdictions in which it is decided to make offers.

Gloucester confirms that:

- a) Gloucester will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act;
- b) this notice is being given under section 708AA(2)(f) of the Act;
- c) as at the date of this notice, Gloucester has complied with
 - i. the provisions of Chapter 2M of the Act as they apply to Gloucester; and
 - ii. section 674 of the Act;
- d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act which is required to be set out in this notice under section 708AA(7)(d) of the Act; and
- e) (e) the potential effect the Rights Issue will have on the control of Gloucester, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings as at the Record Date. However, Noble Group Limited (**Noble**), Gloucester's largest shareholder (through interposed entities), has stated today that it will not participate in the Rights Issue and consequently it is expected that Noble's voting power in respect of Gloucester will be reduced. Following the completion of the Rights Issue Noble's shareholding in Gloucester is likely to be approximately 55.3%, a decrease from its current shareholding of 65.3%. Noble's shareholding in Gloucester will also be affected by the issue to a wholly-owned subsidiary of Noble of 36,923,077 Gloucester shares as consideration for the acquisition by Gloucester, through a wholly-owned subsidiary, of Donaldson Coal Holdings Limited (**Donaldson Acquisition**) as announced by Gloucester on 16 May 2011.

Following completion of both the Rights Issue and the Donaldson Acquisition and the Monash Acquisition, Noble's shareholding in Gloucester is likely to be approximately 63.4%.

Other than as set out above it is not expected that the Rights Issue will have an effect on the control of Gloucester.

Yours faithfully



Craig Boyd
Company Secretary and Acting Chief Financial Officer
Gloucester Coal Ltd

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

This notice does not constitute an offer to sell securities in the US or to U.S. Persons. Neither the entitlements nor the New Shares have been or will be registered under the United States Securities Act of 1933 as amended ("Securities Act"), and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. Persons" (as defined under Regulation S of the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act.