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GLOUCESTER COAL

Independent Directors Release

Update on Takeover Offer from Macarthur

Gloucester Coal Ltd ("Gloucester") notes the release of Macarthur Coal Limited's ("Macarthur") announcement updating the market on recent developments with respect to its intention to acquire all of the issued securities of Gloucester (the "Gloucester Offer") and to acquire certain assets from Noble Group Limited ("Noble") (the Middlemount and Donaldson Transactions).

Refer to Annexure 1 for the Macarthur announcement.

GLOUCESTER OFFER

- In respect of the Gloucester Offer, Macarthur has indicated an intention to dispatch its Bidder's Statement to Gloucester shareholders in early March 2010
- Macarthur expects the Gloucester Offer is expected to close in early May 2010, subject to extension.
- Gloucester Independent Directors continue their unanimous recommendation of the Gloucester Offer
 - in the absence of a superior proposal; and
 - subject to the Independent Expert finding that the proposal is fair and reasonable to Gloucester shareholders and that the consideration being given by Macarthur to Noble in respect of the Middlemount Transaction is no more than fair market value of the assets being acquired.

MIDDLEMOUNT TRANSACTION

- Macarthur has announced that it has entered into definitive legal documentation with Noble. Certain aspects of the binding term sheet announced on 22 December 2009 have been amended, including that:
 - The future royalty payable by Middlemount to Noble will reduce to 1.0%, a further 0.5% reduction from that announced on 22 December 2009; and
 - Macarthur has agreed to grant Noble the option to apply the amounts to be owed for the royalty reduction, the cancellation of Noble's 20% option over Middlemount and certain loans owed by Middlemount to Noble towards the subscription for Macarthur shares at A\$9.70 per share



- Macarthur will pay a mixture of shares and cash for the acquisition of interests in Middlemount and associated transactions, implying a value of A\$218.3m. Further details in relation to the consideration payable by Macarthur are detailed in Macarthur's announcement
- The Middlemount Transaction will remain conditional, amongst other things, upon FIRB approval, the Gloucester Offer becoming unconditional and Noble accepting the Gloucester Offer.

DONALDSON TRANSACTION

- Macarthur and Noble have agreed not to proceed with the proposed transaction in relation to Donaldson.

OTHER INFORMATION

Macarthur intends to enter into an agreement with Noble by 12 February 2010 in relation to the provision by Noble of day-to-day logistics management of the New South Wales rail and port supply chain. It is expected that this agreement will have an initial term of three years.

The Independent Directors of Gloucester have carefully considered the impact of changes to the Middlemount transaction and the agreement not to proceed with the Donaldson Transaction and continue to unanimously recommend the Gloucester Offer:

- (i) in the absence of a superior proposal; and
- (ii) subject to the Independent Expert finding that the proposal is fair and reasonable to Gloucester shareholders and that the consideration being given by Macarthur to Noble in respect of the Middlemount Transaction is no more than fair market value of the assets being acquired.

The Independent Directors of Gloucester have appointed Deloitte Corporate Finance Pty Limited to prepare an Independent Expert's Report for Gloucester shareholders to determine whether the Offer is fair and reasonable to Gloucester shareholders and that the consideration being given by Macarthur to Noble in respect of the Middlemount Transaction is no more than fair market value of the assets being acquired.

The Independent Expert Report will be included in the Gloucester's Target Statement which is expected to be dispatched to Gloucester shareholders on or around 4 March 2010.

INDICATIVE TIMETABLE

Date	Event
26 February 2010	Latest date for Bidder's Statement to be lodged with ASIC and served on ASX and Gloucester
4 March 2010	Dispatch of Bidder's Statement and commencement of offer period

FOR FURTHER INFORMATION

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About Macarthur

Macarthur Coal (ASX: MCC) is the world's largest producer of seaborne low volatile pulverized coal injection coal (LV PCI) used for steel making. As a supplier to the world's leading steel producers, Macarthur exports its entire product around the globe. The company currently holds 73.3% of the Coppabella and Moorvale mines, located in Queensland's Bowen Basin.

The company is focused on organic growth through developing new mines from grass roots level and identifying and pursuing high growth market segments.

About Gloucester

Gloucester Coal (ASX: GCL) is a coal mining company with two mining operations, Stratford and Duralie, both located in the New South Wales Gloucester geological basin. The company also holds coal exploration licences which cover a large proportion of the basin and include a number of known coal deposits. Gloucester is focused on the production of both coking and thermal coal products. These products are produced through the efficient blending of coal from its Stratford, Duralie and satellite operations.

About Donaldson

Donaldson Coal's mining operations are based in the Hunter Valley just south of Maitland approximately 25 kilometres from Newcastle and Port Waratah. Production is sourced from the Donaldson open-cut mine, the Tasman underground mine and the Abel underground mine.

About Middlemount

Located 6 kilometres south-west of the township of Middlemount in central Queensland, Middlemount is expected to produce low volatile PCI coal and semi-hard coking coal.

About Noble

Noble Group (SGX: N21) is a market leader in managing the global supply chain of agricultural, industrial and energy products. The Group operates from over 100 offices in more than 40 countries, serving 4000+ customers. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation. With 2008 annual revenues exceeding US\$36 billion, Noble owns and manages an array of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, vessels, ports and other infrastructure to ensure high quality products are delivered in the most efficient and timely manner to its customers.

In late 2009, Noble Group was honored at the DHL SCMP Hong Kong Business Awards by winning the coveted International Award. During the year, Noble ranked #218 on the Fortune Global 500 and achieved "Investment Grade" ratings (Baa3) from Moody's Investors Service and (BBB-) from Standard & Poor's, complementing its initial "Investment Grade" rating (BBB-) from Fitch the previous year. In addition, Noble appears on the Forbes Global 2000 and Forbes Fab 50 lists of leading companies. Noble Group is among the 30 securities listed on the Straits Times Index.

Forward-looking statements

This announcement includes 'forward-looking statements'. These can be identified by the use of forward-looking words such as 'may', 'can', 'intend', 'expect', 'believe', 'should' or similar words. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gloucester, and its officers, employees, agents or associates. Actual outcomes may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Gloucester assumes no obligation to update such information.



Attachment 1: Macarthur Announcement



MACARTHUR COAL (ASX: MCC) ANNOUNCES UPDATE ON TAKEOVER OF GLOUCESTER COAL AND CONDITIONAL ACQUISITIONS OF ASSETS FROM NOBLE GROUP

29 January 2010

On 22 December 2009, Macarthur Coal Limited ("Macarthur") announced an intention to acquire 100% of Gloucester Coal Ltd ("Gloucester") via an off-market takeover by an all-scrip offer with cash alternative ("Gloucester Offer").

At the same time as the Gloucester takeover announcement, Macarthur also announced:

- that it had entered into a conditional binding term sheet to acquire Noble Group Limited's ("Noble") interest in the Middlemount JV, taking Macarthur's ownership to 100% of Middlemount including all marketing rights for Middlemount product ("Middlemount Transaction"); and
- that it was continuing discussions with Noble to acquire a majority stake in Donaldson Coal Holdings Ltd ("Donaldson"),

together, the "Noble Transactions", for a total consideration of A\$175 million in cash and 22.5 million Macarthur shares issued at a price of A\$9.70 per share.

Middlemount

Macarthur is pleased to announce today that it has now entered into definitive legal documentation with Noble, which gives effect to the terms agreed in the binding term sheet announced on 22 December 2009. In addition, certain aspects of the binding term sheet have been amended, including that:

- the future royalty payable by Middlemount to Noble will reduce to 1.0%, a further 0.5% reduction from that announced on 22 December 2009; and
- Macarthur has agreed to grant Noble the option to apply the amounts to be owed for the royalty reduction, the cancellation of Noble's 20% option over Middlemount and certain loans owed by Middlemount to Noble towards the subscription for Macarthur shares at A\$9.70 per share.

The Middlemount Transaction will remain conditional, amongst other things, upon FIRB approval, the Gloucester Offer becoming unconditional and Noble accepting the Gloucester Offer.

Refer to Annexure 1 for a breakdown of the consideration to be paid for each of the interests Macarthur intends to acquire as part of the Middlemount Transaction.

Gloucester

In relation to the Gloucester Offer, it is intended that Macarthur's Bidders Statement will be despatched to Gloucester shareholders in early March 2010, as Macarthur has received relief from ASIC to allow it to despatch its Bidder's Statement no later than 5 March 2010. This will enable the Bidder's Statement to include financial information for the half year to 31 December 2009 for both Gloucester and Macarthur.

Macarthur expects to hold a Shareholder Meeting in relation to the Gloucester Offer and Middlemount Transaction in mid April 2010. The Gloucester Offer is expected to close in early May, subject to extension.



Donaldson

Macarthur and Noble have agreed not to proceed with the proposed transaction in relation to Donaldson.

Macarthur will proceed with the Gloucester Offer and the Middlemount Transaction.

Macarthur Managing Director, Nicole Hollows said, "We have agreed with Noble not to proceed with the elements of the transaction which relate to Donaldson. However, we believe that the acquisition of Gloucester and Noble's interest in Middlemount will create significant value for Macarthur shareholders by creating a more diverse business with exposure to multiple product types, geographies and mining operations."

Other information

Macarthur intends to enter into a performance based agreement with Noble by 12 February 2010 in relation to the provision by Noble of day-to-day logistics management of the New South Wales rail and port supply chain. It is expected that this agreement will have an initial term of three years.

Macarthur advises that it still intends to acquire CITIC Resources Holdings Limited's ("CITIC Resources") direct interests in Macarthur's operating assets and terminate CITIC Resources' marketing rights to China and India ("CITIC Transaction").

Macarthur has appointed Lonergan Edwards & Associates to prepare Independent Expert's Reports for Macarthur shareholders to determine whether:

- the issue of Macarthur shares to Noble entities under the Gloucester Offer and Middlemount Transaction is fair and reasonable to Macarthur shareholders; and
- the issue of Macarthur shares to CITIC Resources under the CITIC Transaction is fair and reasonable to Macarthur shareholders.

Refer to Annexure 2 for updated pro forma ownership figures for Macarthur following the Gloucester Offer and Middlemount Transaction.

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ANNEXURE 1 Middlemount Transaction Breakdown

Middlemount Transaction Breakdown

Macarthur will pay a mixture of Macarthur shares and cash for the acquisition of interests in Middlemount and associated transactions, implying a total value of A\$218.3mm comprised of:

1. up to A\$50.0mm in repayment of certain loans which will be owed by Middlemount to Noble ("Noble Loan") at the transaction close ("Completion"). The actual Noble Loan amount will not be determined until Completion.
2. a number of Macarthur shares¹ to the value of A\$130.5mm less the amount of the Noble Loan for the acquisition of the remaining 25.34% interest in Middlemount not currently owned by Macarthur. For example, if the Noble Loan is A\$50.0mm at Completion, the number of Macarthur shares to be issued would be 8.3 million (i.e. (A\$130.5mm – A\$50.0mm) / A\$9.70).
3. A\$20.0mm for the cancellation of Noble's option to acquire a further 20% of Middlemount from Macarthur.
4. A\$67.8mm to reduce the royalty payable by Middlemount to Noble from 4.0% to 1.0%.

If Noble exercises its option to apply the cash amounts to be owed under items 1, 3 and 4 to subscribe for Macarthur shares at \$9.70 per share, the total consideration to Noble for the Middlemount Transaction will be approximately 22.5 million Macarthur shares and nil cash. The relevant shares will be issued at Completion.

However, if Noble does not exercise its option, the cash amount under item 1 will be paid at Completion, and the cash amounts under items 3 and 4 will be payable on 30 September 2010.

¹ Issued at a price of A\$9.70 per share



ANNEXURE 2 Revised pro forma data

Pro form ownership structure following the Gloucester Offer and Middlemount Transaction

Each of the Gloucester Offer and the Middlemount Transaction result in the issuance of Macarthur ordinary shares. Macarthur believes its register will reflect the following, post completion of these transactions¹:

Shareholder	Pro forma ownership (Noble receives additional Macarthur Shares) ²	Pro forma ownership (Noble receives cash instead of additional Macarthur shares) ³
Noble and associated entities	24.0%	21.9%
CITIC Resources and associated entities	16.5%	17.0%
Existing Macarthur shareholders other than CITIC Resources	57.1%	58.6%
Former Gloucester shareholders other than Noble	2.4%	2.5%

¹ Percentages based on 100% scrip offer for all Gloucester shareholders; Excludes impact of potential CITIC Transaction, as announced on 22 December 2009.

² Assumes Noble exercises the option to apply the amounts owing for the royalty reduction, the cancellation of Noble's 20% option over Middlemount and the Noble Loan to subscribe for Macarthur shares.

³ Assumes Noble does **not** exercise the option to apply the amounts owing for the royalty reduction, the cancellation of Noble's 20% option over Middlemount and the Noble Loan to subscribe for Macarthur shares; Assumes Noble Loan has a balance of nil at Completion.