

GLOUCESTER COAL LTD

Level 15
Citadel Towers (Tower B)
799 Pacific Highway
Chatswood NSW 2067
PO Box 137
Chatswood NSW 2057

Tel: +61 (0)2 9413 2028
Fax: +61 (0)2 9413 4802

E: gcl@gloucestercoal.com.au
W: www.gloucestercoal.com.au

ABN: 66 008 881 712 ASX: GCL

GLOUCESTER COAL

MCC ASX Announcement

The Board of Gloucester Coal Ltd ("Gloucester") notes the announcement by Macarthur Coal Limited ("Macarthur Coal") that it has received a non-binding indicative proposal from Peabody Energy Corporation ("Peabody").

The Gloucester Board also notes the statement from Macarthur that it "intends to proceed with the shareholder meeting scheduled for 12 April 2010 to consider the proposed issue of Macarthur Coal shares to Noble Group Limited ("Noble") under the takeover of 100% of Gloucester and the acquisition of Noble's interest in the Middlemount Coal joint venture". The Macarthur Coal Board continues to recommend that Macarthur Coal shareholders vote in favour of the resolution at the shareholder meeting.

The Independent Directors of Gloucester continue to unanimously recommend that Gloucester Coal shareholders accept Macarthur Coal's takeover offer in the absence of a superior proposal.

Gloucester will keep the market updated regarding any developments in relation to the Peabody proposal for Macarthur Coal and the Macarthur Coal offer for Gloucester.

FOR FURTHER INFORMATION

Barry Tudor

Chief Executive Officer
+61 (0)2 9413 2028

Peter Scott

Chief Financial Officer
+61 (0)2 9413 2028

Media enquiries**Sue Cato**

+61 419 282 319