

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 30 JUNE 2004

HIGHLIGHTS

- Financial performance improved significantly from the middle of the quarter as the full effect of the new higher priced Japanese coking coal contracts flowed through.
- Two thermal coal contracts were renegotiated during the quarter, which will increase thermal coal revenue in the second half of 2004.
- Sales of higher priced export thermal coal are increasing as the lower priced Domestic contract tonnages reduce.
- Production from the Duralie and the Stratford Co-disposal operations were at record levels for the quarter.

CLEAN COAL SALES (GCL's 90% share of Stratford Joint Venture)

- GCL's share of coal sales from the Stratford Joint Venture (net of purchased coal) totalled 421,000 tonnes for the quarter.

Coal Type	Q2 2004	Q2 2003	Change	YTD 2004	YTD 2003	Change
Coking	175	98	78%	405	369	10%
Thermal – Export	208	162	28%	314	190	65%
Thermal - Domestic	66	119	(45%)	185	312	(40%)
Total Sales	449	379	18%	904	871	4%
Purchases	(28)	(15)		(93)	(45)	
Net Sales	421	364	15%	811	826	(2%)

- GCL railed and sold 367,000 tonnes of Duralie ROM coal to the Stratford Joint Venture from the 100% owned Duralie operation during the quarter.



(2)

OPERATIONS

- Duralie and Bowens Road North both performed in line with expectations
- FOB cash costs for the quarter continue to average mid A\$30's Newcastle (excl demurrage)

ROM PRODUCTION SUMMARY (100% Stratford Joint Venture)

ROM Coal Source		Q1 2004	Q2 2004
		'000 t	'000 t
Duralie	Railed to Stratford CHPP	360	367
Bowens Road North	Trucked to Stratford ROM stockpile	165	122
Co-disposal recovery	Trucked to Stratford ROM stockpile	117	105
Total ROM coal delivered to CHPP		642	594
Preparation Plant	ROM Coal processed	614	655
	Total Yield	74%	68%
Total Product		454	448

BOWENS ROAD NORTH OPEN CUT

- Production for the second quarter was 20% less than the first quarter as a result of the early development of the southern extension of the open cut.

DURALIE OPEN CUT

- A quarterly record of 367,000 tonnes was mined and railed from Duralie to the Stratford coal handling and preparation plant.
- Stage 2 of the Coal Shaft Creek diversion and the raising of the mine water dam to design capacity were completed in the quarter.

CO-DISPOSAL

- During the quarter Stratford processed 151,000 tonnes of co-disposal material, which represented almost a quarter of the total preparation plant feed. Co-disposal raw coal is low cost feed to the Stratford preparation plant but the lower cost is offset by reduced product yields through the preparation plant.

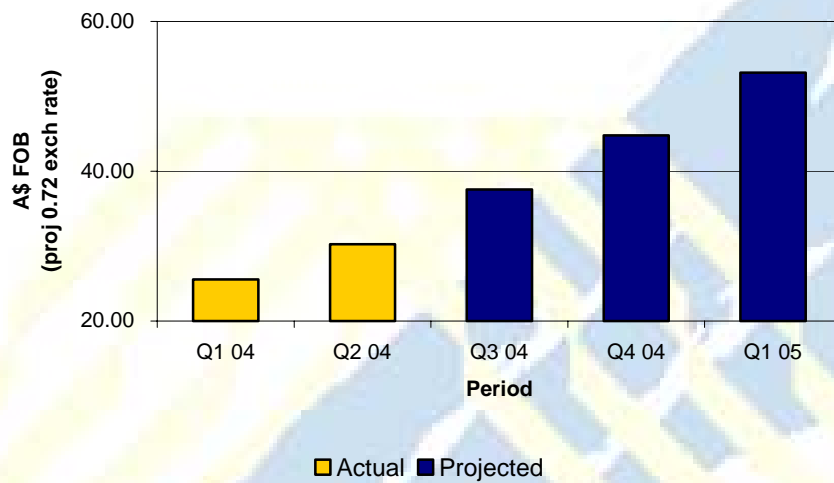


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MARKETING

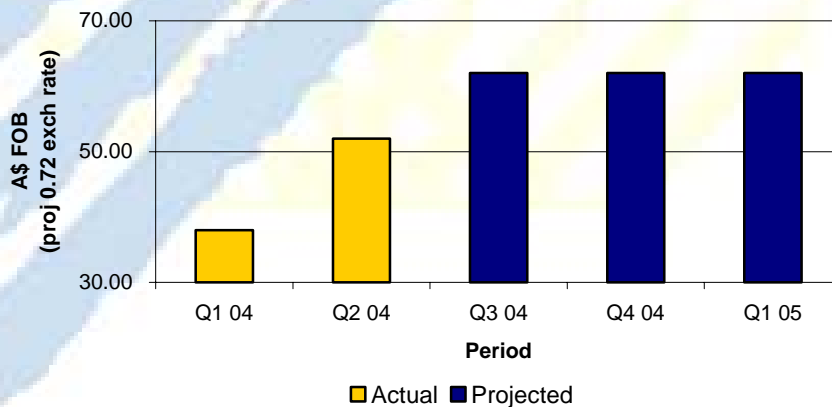
- Two lower priced high ash export contracts were averaged up and renegotiated by selling additional tonnages at prices in excess of US\$40 per tonne FOB. GCL also entered into a new contract for high ash thermal coal in excess of US\$42 per tonne from the fourth quarter 2004. The graph below shows the impact of the renegotiated and new export contracts.

Average Thermal Coal Price A\$/tonne



- GCL started to benefit from the higher priced coking coal contracts in the middle of the second quarter. The dramatic change in coking coal revenue for each quarter is shown below.

Average Coking Coal Price A\$/tonne





(4)

PORT OF NEWCASTLE

- GCL was pleased to see the improved performance at the Port of Newcastle and the successful management of the allocation scheme in the second quarter, which reduced vessel loading delays to less than 5 days at the end of the quarter. GCL incurred minimal demurrage costs in the second quarter when compared to the first quarter, when vessels were delayed by more than two weeks.

CORPORATE

- GCL is close to finalising the refinancing the major portion of the UK COAL PLC loan.

EXPLORATION AND DEVELOPMENT

- GCL was unsuccessful with its expression of interest in the Moolarben exploration area in the Ulan district of the Western coalfields.
- GCL continues to investigate potential underground mining at Duralie. GCL has commenced reprocessing of the extensive seismic data that covers the potential underground area.

For further information:

Gavin May

Chief Executive Officer

(02) 9413 2028

30 July 2004