

ASX

ANNOUNCEMENT



GLOUCESTER COAL

A Member of
UK COAL PLC

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REPORT TO THE STOCK EXCHANGE FOR THE QUARTER ENDED 31 MARCH 2003

OPERATIONS

Stratford Mine (100%)

'000 tonnes	March Quarter		Change %	Year		Change %
	2003	2002		2003	2002	
Production	486	639	(23.9)	486	639	(23.9)
Sales						
Own Production	513	637	(19.5)	513	637	(19.5)
Traded	33	12		33	12	
Total Sales	546	649	(15.9)	546	649	(15.9)

FIRST QUARTER SUMMARY

During the first quarter of 2003 Gloucester Coal Ltd focused on the final development and commissioning of the Bowens Road North and Duralie operations. Production from the Stratford main deposit was suspended in March with less than 300,000 tonnes of run of mine reserves remaining. The remaining reserves will be blended into the Gloucester coking coal production over the next 6 months. The planned production from the new and combined operations is 2 million tonnes per annum, approximately 20% lower than last year.

DURALIE OPERATIONS

Mining operations commenced at Duralie in March and at the end of the quarter 229,000 bcm of waste and 19,650 tonnes of coal had been mined. The first Duralie coal was railed to Stratford in March to be processed and blended into thermal coal sales.

BOWENS ROAD NORTH OPERATIONS

Mining commenced in February and at the end of the quarter 79,419 tonnes of coal had been extracted. This first production from the low strip ratio (<2:1) Bowens Road North deposit will be sold into the domestic and export thermal markets.

STRATFORD OPERATIONS

Mining from the main deposit was scaled back and temporarily suspended in March as the final 300,000 tonnes of reserves were left in the pit, to be blended with Duralie coal over the next 6 months. The Preparation Plant will continue to process Duralie, Bowens Road North and remaining Stratford coal to produce the Gloucester coal products. The Preparation Plant is to undergo modifications in June to accommodate the efficient bypassing of coals that do not require washing.

MARKETING

Gloucester Coal had developed a market plan that allocated all the initial coal from Duralie and Bowens Road North into export thermal markets, including large sales into Japan and Europe. Strong demand for Gloucester coal products saw all the coking coal production placed in reserve by Stratford's existing Japanese customers. By early April, GCL had all the coking coal production on contract to the Japanese Steel Mills

CORPORATE

In 2001, GCL's major shareholder UK COAL PLC was approached by a number of parties who expressed an interest in GCL and its assets. A number of parties have again approached UK COAL PLC. In the event no proposal is forthcoming to GCL or GCL shareholders, UK COAL will continue to assist GCL in maximising the value of its assets. No proposal has been received and the Board of GCL will keep shareholders informed.

Gavin May

Chief Executive Officer

GLOUCESTER COAL LTD

30 April 2003