



Gloucester Coal Ltd
 ABN 66 008 881 712
 Level 9 Citadel Towers (Keycorp Tower)
 799 Pacific Highway
 Chatswood NSW 2067
Telephone: 02 9413 2028
Facsimile: 02 9413 4802
Email: gcl@gloucestercoal.com.au

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2004

SUMMARY

- GCL completes finance facility with ABN AMRO NV in August,
- Duralie delivered a record quarter production of 406,000 tonnes to Stratford,
- FOB cash costs for the quarter continue to average around A\$37 Newcastle. This cost includes demurrage and interest charges,
- Coking coal sales marginally behind budget as shipments slip into the December quarter.

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

Coal Type	Q3 2004	Q3 2003	Change	YTD 2004	YTD 2003	Change
Coking	124	196	(23%)	529	564	(6%)
Thermal – Export	193	144	34%	507	334	51%
Thermal - Domestic	73	120	(39%)	257	432	(40%)
Total Sales	390	460	(18%)	1293	1330	(3%)
Purchases	(23)	(63)		(116)	(108)	
Net Sales	367	397	(8%)	1177	1222	(4%)

- GCL's share of coal sales from the Stratford Joint Venture (net of purchased coal) totalled 367,000 tonnes for the quarter.



OPERATIONS

- Duralie and Bowens Road North both performed in line with expectations,
- FOB cash costs for the quarter continue to average around A\$37 Newcastle. This cost includes demurrage and interest charges on the new facility.

ROM PRODUCTION SUMMARY (100% Stratford Joint Venture)

		Q1 04	Q2 04	Q3 04
Coal Source		'000 t	'000 t	'000 t
Duralie	Railed to Stratford CHPP	360	367	406
Bowens Road North	Trucked to Stratford ROM stockpile	165	130	197
Co-disposal recovery	Trucked to Stratford ROM stockpile	117	151	90
Total ROM coal delivered to CHPP		642	648	693
Preparation Plant	ROM Coal processed	614	655	660
	Total Yield	74%	68%	69%
	Total Product	454	448	453
GCL's 90% Share of Production		409	403	408

MARKETING

- Sales of Gloucester coking coal to the Japanese Steel Mills slowed during the quarter, partly as a result of delays in Japan caused by typhoons and stronger demand for hard coking coal from Queensland. GCL has shipping indications from customers in the fourth quarter and is forecasting GCL share of sales of 155,000 tonnes of coking coal.
- At the end of the September quarter GCL had 74,000 tonnes of coal on the product stockpiles at Stratford.

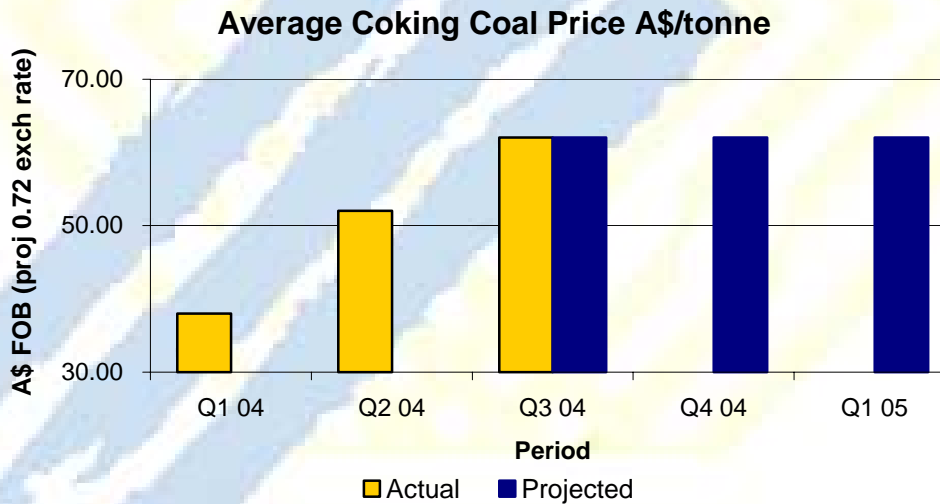
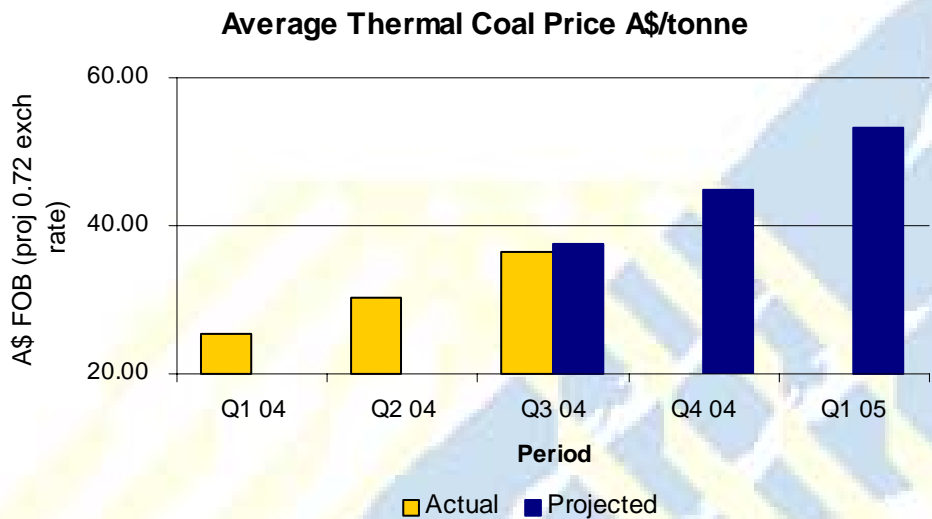
QUARTERLY SALES PERFORMANCE BY COAL TYPE (GCL's 90% Share)

Coal Type	Q1 04 Actual , 000t	Q2 04 Actual , 000t	Q3 04 Actual , 000t	Q4 04 Forecast , 000t	2004 Estimated Total , 000t
Coking	165	147	101	155	568
Thermal – Export	106	208	193	260	767
Thermal - Domestic	119	66	73	60	318
GCL's Net Sales	390	421	367	475	1653



SALES REVENUE

- GCL average sales prices achieved continue to be in line with expectations,
- Average thermal revenue increases as older low price contracts are replaced with new export contracts
- GCL is negotiating the remaining uncontracted thermal coal at prices above US\$40 FOB (basis 6322 Kcal gar). This high ash coal should net back in the mid A\$50's FOB after quality adjustments,
- The September quarter reflects the first full quarter at the 2004 contract coking coal price.





PORT OF NEWCASTLE

- Demurrage costs for the quarter were less than \$0.1 million as compared to the first half of 2004 of \$1.4 million.

CORPORATE

- GCL finalised the Australian Dollar Facility Agreement with ABN AMRO NV in August.
- The company is continuing discussions with the Stratford Joint Venture partner, Itochu, about rationalising the ownership structure of the two operations (GCL share of Duralie 100% & Stratford 90%)

EXPLORATION AND DEVELOPMENT

- GCL announced a team comprising McElroy Bryan Geological Services and Minarco Asia Pacific to investigate the feasibility of the Duralie Underground resource. To date seismic data has been reprocessed with a view to commence pre feasibility drilling before year end.
- McElroy Bryan Geological Services has also been retained to supervise exploration of the Southern Stratford resources.

For further information:

Gavin May

Chief Executive Officer

(02) 9413 2028

27 October 2004