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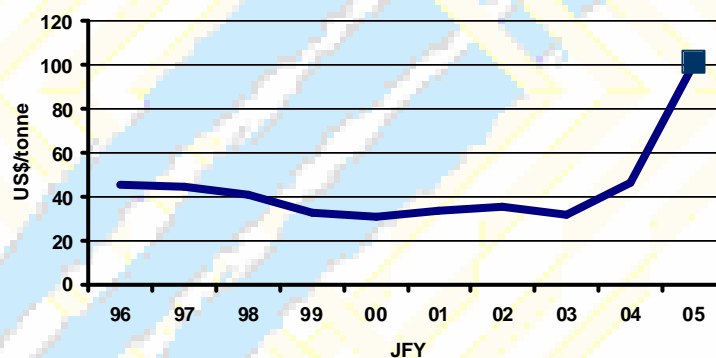
PRESS RELEASE

Gloucester Coal Ltd

2005 Japanese Steel Mill Price Settlement

GCL has concluded negotiations with the Japanese steel mills in regard to contract tonnage and price for the 2005/2006 Japanese financial year. GCL is pleased to report that the average price for Gloucester coking coal from April will be over US\$100 per tonne, an increase of more than US\$55 from the current Japanese financial year's contract price. This is a record sale price for GCL and highlights the significant strength of the coking coal market and the continued support by the Japanese steel mills for high fluidity Gloucester coking coal.

GCL Coking Coal US\$ Sale Price



The price increase is the result of strong international demand for steel products and a continued supply shortage of high quality coking coal. The Directors of Gloucester Coal believe that this strong market is likely to continue for the foreseeable future.

Gavin May

Chief Executive Officer

21 February 2005