



GLOUCESTER COAL

GLOUCESTER COAL LTD

ABN 66 008 881 712

Level 9 Keycorp Tower (Tower B)

799 Pacific Highway

Chatswood NSW 2067

Sydney – Australia

Telephone: 61-2 9413 2028

Facsimile: 61-2 9413 4802

6 March 2006
Companies Announcements Office
Australian Stock Exchange

RESERVES & RESOURCES UPDATE

- **Mineable Reserves of 24.5 Mt with average strip ratio <3:1** (Dec 2003: 19.2Mt)
- **South Stratford Resources of 3.0 Mt (0 – 60 m depth of cover)**

Coal Resources and Reserves figures for the Gloucester's operations have been updated to the JORC standard, following recent development and exploration activity.

After mining more than 3 million tonnes (Mt) of Weismantel coal at the Duralie open cut mine, mineable reserves have increased from 13.5 Mt in December 2003 to 19.6 Mt at January 2006.

As at January 2006, GCL can report 24.5 Mt of combined mineable reserves at the Bowens Road North and Duralie open cut operations with an average strip ratio less than 3:1 (bcm overburden: coal).

Drilling in the first stage of the South Stratford area has delineated 3 Mt of Avon and Bowens Road Coal Members at depths less than 60 metres. Drilling will continue to delineate the southern extension of these coal members. Mine design is underway with a view to incorporate these resources into mineable reserves during the second quarter of 2006.

Approximately 100Mt of Weismantel Coal Member Resources have been identified in the prospective Duralie underground mine area.

Potential resources from the recently discovered Clareval Seam are not included in this statement.

For further information

Gavin May
Chief Executive Officer

Barry Tudor
Chief Financial Officer
Telephone: (02) 9413 2028

GLOUCESTER COAL LTD
COAL RESOURCES AND RESERVES

Stratford ML 1409, ML 1528 & A315

Bowens Road Coal Member - Resources and Reserves

	Depth Interval m	Coal Reserves	
		Recoverable Proved & Probable (Mt)	Marketable Proved & Probable (Mt)
Bowens Road North	0 – 60	4.9	3.5

Note: Bowens Road North Total Open Cut Recoverable Reserves at a strip ratio of <1 bcm/tonne

	Depth Interval m	Resources	Coal Reserves
		Measured & Indicated (Mt)	
Bowens Road South	0 – 60	1.4	Report due Q2 2006

Avon Coal Member - Resources and Reserves

	Depth Interval m	Resources	Coal Reserves
		Measured & Indicated (Mt)	
Avon North	0 – 60	0.64	
	60 – 80	0.28	
Avon South	0 – 60	1.60	Report due Q2 2006
Total		2.52	

Duralie ML 1427 & A315

Weismantel Coal Member - Resources and Reserves

	Depth Interval m	Resources		Coal Reserves	
		Measured & Indicated (Mt)	Inferred (Mt)	Recoverable Proved & Probable (Mt)	Marketable Proved & Probable (Mt)
ML 1427	0 – 60	9.4			
	60 – 100	6.6			
	> 100	14.2	3		
A 315	0 – 60	7.1			
	60 – 100	4.0			
	> 100	24.9	56		
Total		66.2	59	19.6	14.0

Note: Duralie Total Open Cut Recoverable Reserves of 19.6Mt at a strip ratio of 3.5 bcm/tonne

Resources and Reserves Statements

The information in this report that relates to Coal Resources and Coal Reserves is based on information compiled by

- 1) Mr Andrew Paul, a fulltime employee of McElroy Bryan Geological Services Pty Ltd (Resources)
- 2) Ms Janet Bartolo, a fulltime employee of McElroy Bryan Geological Services Pty Ltd (Resources)
- 3) Mr Robert MacKenzie, a fulltime employee of MineConsult Pty Ltd (Reserves)

Mr MacKenzie, Mr Paul and Ms Bartolo are Members of the Australian Institute of Mining and Metallurgy. Mr MacKenzie, Mr Paul and Ms Bartolo have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code for Reporting Mineral Resources and Ore Reserves". Mr MacKenzie, Mr Paul and Ms Bartolo all consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Note: This Statement does not include tonnage associated with the Codisposal material which is reprocessed through the Stratford preparation plant. It does not include Roseville open cut extension or Cloverdale open cut deposit. Indicative tonnages shown in the table below are not reported to the JORC standard.

Additional Tonnages available (Not Reported to JORC Standard)

	Depth Interval m	Estimated insitu tonnage (Mt)
Roseville open cut extension	0 – 60	0.5
Cloverdale open cut	0 - 60	0.7
Codisposal Area	n/a	1.5
Total		2.7