



GLOUCESTER COAL

GLOUCESTER COAL LTD

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CLAREVAL SEAM CONFIRMED AT EAST DURALIE

- **Potential to double reserves in the East Duralie area**
- **Contributing to the extension of open cut mining operations**

Gloucester Coal Ltd (ASX: GCL, the “Company” or “Gloucester Coal”) has confirmed that drilling of the Clareval Seam on the prospective Eastern side of the Gloucester Basin has successfully identified thick intersections of shallow coal.

The Company believes this could lead to a doubling of the reserves on the Eastern side of the Basin which are presently quoted at 6.5 million tonnes and increase total mine reserves at Duralie to over 25 million tonnes.

Gloucester Coal Chief Executive Officer Mr Gavin May said “This is a significant find and an exciting development for Gloucester Coal. We believe the discovery may double our current reserves in the East Duralie area and contribute substantially to extending the life-of-mine operations.”

The Clareval Seam was originally discovered by the Company in December 2005. The seam is characterised as a low ash high fluidity coking coal. Drilling within the Company’s existing Duralie Mining Lease has already delineated approximately 1 million tonnes of coal amenable to shallow open cut mining adjacent to the existing open cut mine.

Since delineating the Clareval Seam on the Western side of the existing Mining Lease in March 2006, Gloucester Coal was subsequently granted permission to explore on the prospective Eastern side of the Basin. The first two drill holes intersected thick Clareval Seam at relatively shallow depths. These intersections confirm the significance of the anomaly identified on reprocessed seismic sections.

“Importantly, this discovery gives further support to Gloucester Coal’s belief that with a focused exploration campaign, open cut mining operations could continue out to 2030,” Mr May said.

**Gloucester Coal Ltd – East Duralie Area
Drill Hole Intersections – Clareval Seam**

Drill Hole	Clareval Seam Intersections		
	From (m)	To (m)	Vertical thickness (m)
DU022	12.0	15.0	3.0
	23.0	33.0	10.0
DU023	62.0	78.0	16.0

Further exploration is scheduled for October/November following a Review of Environmental Factors over the Duralie East drilling area. This proposed programme will delineate the northern extent of the Clareval Seam.

The attached map shows the location of the recently drilled holes and the target area for the next drilling programme.

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