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SECOND & FINAL QUARTER REPORT FULL YEAR RESULTS

FOR THE THREE MONTHS AND SIX MONTH FINANCIAL PERIOD ENDING 30 JUNE 2005

HIGHLIGHTS

- Operations on target, with 465,000 tonnes of saleable coal produced in the quarter (100% basis)
- Stratford Preparation Plant optimisation plan delivers positive results, 8.5% increased effective operating throughput for the January-June period over 1H 2004
- Significant margin improvement received from new coking coal contract prices taking full effect in the later half of the quarter (119% increase from last annual contracts)
- 50% increase in mineable reserves at Duralie announced, increasing mine life to 2017
- Corporate milestones achieved:
 - Move to 100% ownership of Gloucester Basin Tenements, following agreement to purchase Itochu's 10% share of the Stratford Joint Venture
 - Debt reduced by 14% (\$6 million) during quarter. (23% reduction January–June)
 - Intention to declare 10 cent dividend in September quarter

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

Coal Type	Q2 2005	Q2 2004	Change	Q1&2 2005	Q1&2 2004	Change
Coking	162	175	(7%)	367	404	(9%)
Thermal – Export	253	208	21%	505	314	61%
Thermal – Domestic	0	66		0	185	
Total Sales	415	449	(8%)	872	904	(4%)
Purchases	(34)	(28)		(76)	(93)	
Net Sales	381	421	(10%)	796	811	(2%)



OPERATIONS

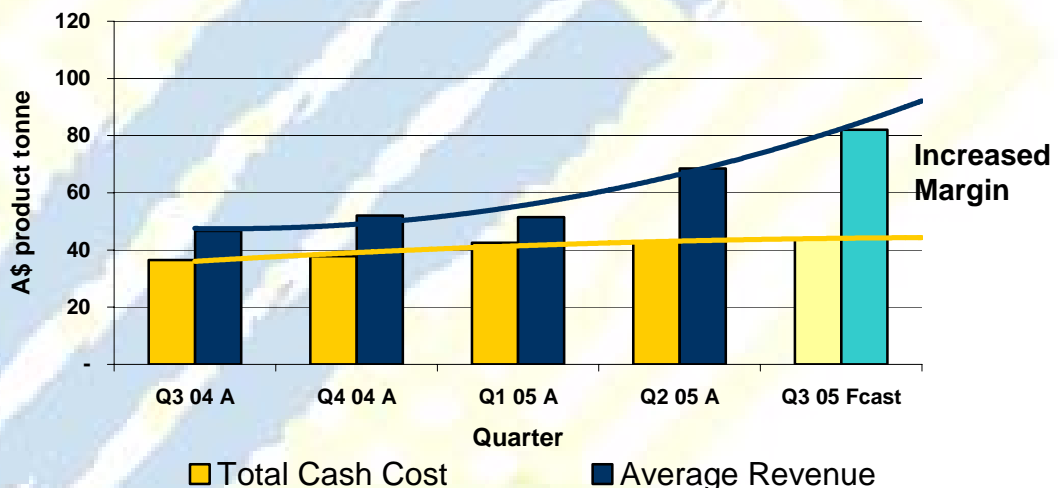
- Both Bowens Road North and Duralie open cut mines operated to budget.
- The Stratford Coal Preparation Plant optimisation plan continues to deliver incremental improvements. During the January – June period the plant operated at the annualised rate of 2.80Mtpa. (1H 2004 2.58Mtpa)
- The NSW Government Royalty increase has added approximately \$3 per saleable tonne onto the total cash cost, which is now in the low A\$40's per tonne.

ROM PRODUCTION SUMMARY

		Q1 05	Q2 05	Q1&Q2 2005	Q1&Q2 2004
Coal Source	Delivery to Stratford ROM Stockpile	,000 t	,000 t	,000 t	,000 t
Duralie (100% GCL)	Railed & sold to SJV*	425	420	845	727
Bowens Road North (90% GCL)	Trucked	286	155	441	295
Co-disposal (90% GCL)	Trucked	6	84	90	268
Total ROM coal delivered to CHPP		717	659	1376	1290
Preparation Plant	ROM Coal processed	702	700	1402	1269
	Total Yield	66%	66%	66%	71%
	Total Product	462	465	927	902
GCL's 90% Share of SJV Production		416	418	834	812

* SJV – At 30 June, Stratford Joint Venture (GCL 90%, Itochu 10%)

GCL Quarterly Cash Cost & Average Revenue (A\$)





MARKETING

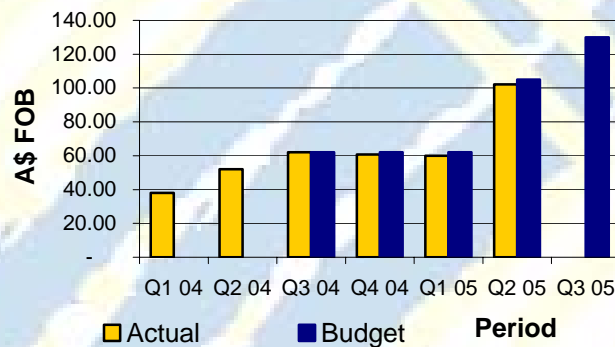
- GCL commenced shipping 2005 US\$100+ coking contract coal in the latter half of the quarter.
- GCL has now contracted 87% of the 2005/06 year thermal coal production with average prices above US\$40 per tonne. GCL has seen no indication of a deterioration in the price of thermal coal with buyers contracting Gloucester high ash coal into Q4 2006 also at prices above US\$40 per tonne.
- Gloucester coking coal shipments are marginally behind budgeted timings. A significant 30,000 tonne shipment, forecast for June 2005 was shipped in early July. GCL are continuing to achieve the budgeted sales price.

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

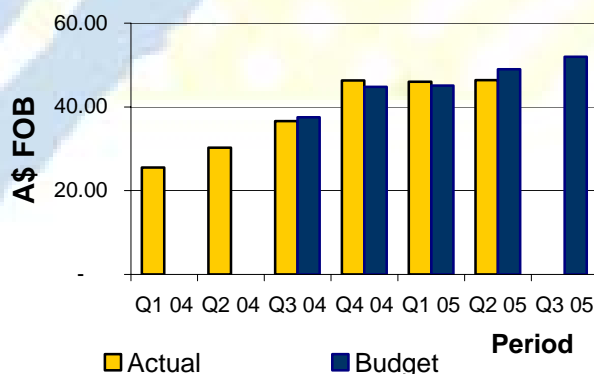
Coal Type	Q1 05 Actual , 000t	Q2 05 Actual , 000t	Q1&Q2 2005 ,000 t	Q1&Q2 2004 ,000 t
Coking	162	129*	291	312
Thermal – Export	253	252	505	314
Thermal – Domestic	0	0	0	184
GCL's Net Sales	415	381	796	810

* 30Kt Shipment slipped to July

Average Coking Coal Price A\$/tonne



Average Thermal Coal Price A\$/tonne

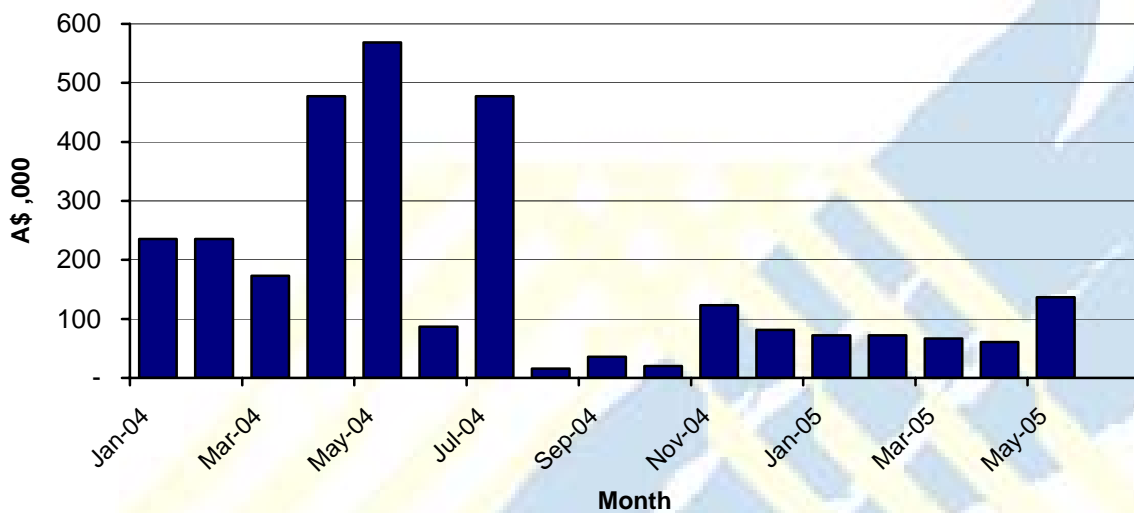




PORT OF NEWCASTLE

- Demurrage costs have fallen from historic highs. The chart below shows the dramatic fall in GCL demurrage costs. Improved performance at the Newcastle Port and introduction of the Capacity Allocation Scheme have been major contributors to lower demurrage costs.

GCL Demurrage Cost



EXPLORATION AND DEVELOPMENT

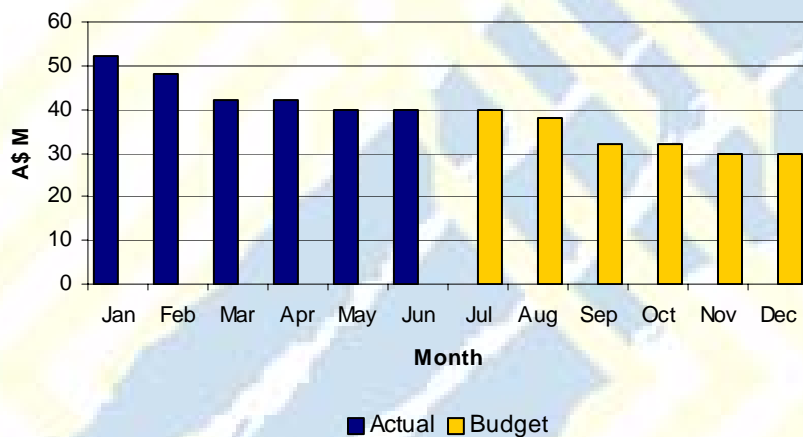
- The first stage of Drilling continued over the Duralie trial underground mine area and over the southern extension of the Bowens Road Coal Member at Stratford. In both instances seam continuity and anticipated structure have been confirmed, however wet weather at the end of June has delayed the next drilling program until August.
- During the quarter GCL concluded work on the eastern extension of the Weismantel Coal Member and has now upgraded mineable reserves at Duralie by 50% to more than 20 million tonnes. At the current production rate mine life has now been extended to 2017.
- GCL is commencing the planning approval process for the additional open cut reserves. GCL are investigating an extension of the open cut with an alternative high wall entry for the Duralie trial underground which is now proposed to commence mid 2008.



CORPORATE

- A strong cash flow has helped GCL reduce debt during the Jan – June period by \$12 million. GCL has budgeted a further \$10 million reduction in debt to take total debt down to \$30 million by the end of 2005.

GCL Bank Debt 2005



- Continuing GCL's policy of Hedging contracted sales; GCL now has US\$80+ million hedged at an average rate of \$0.747. This policy has protected the Australian Dollar revenue when the AUD/USD exchange rate climbed over \$0.77 for much of the January – June period.
- GCL and Itochu Corporation are continuing to finalise documentation in regard to GCL's purchase of Itochu's 10% interest in the Stratford Joint Venture.
- It is GCL's intention to declare a 10 cent dividend following release of results in September

For further information:

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26 July 2005