

GLOUCESTER COAL LTD

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GLOUCESTER COAL
MARKET RELEASE



GLOUCESTER COAL FY09 Full Year Results

- Record underlying net profit after tax of \$90.7 million¹
- Record underlying EBITDA of \$132.8 million¹
- \$46 profit per tonne of coal sold¹
- Debt free
- Strong demand for Gloucester thermal and coking coal
- Improving conditions and anticipated increases in coking coal prices
- Increased focus on exploration

Gloucester Coal Ltd (ASX: GCL) today announced a record full year net profit after tax of \$81.7 million for the year ended 30 June 2009, compared with \$23.4 million for the previous corresponding period.

The Company's record operating profit was based on revenue from the sale of coal of \$307 million (2008: \$160 million) achieved through record sales prices for Gloucester coking and thermal coal.

¹After excluding costs of \$13m (\$9.0m net of tax) incurred in connection with the Whitehaven Coal Limited merger and Noble Group Limited takeover.



FINANCIAL PERFORMANCE: SUMMARY

	Year Ended 30 June 09 A\$ Millions	Year Ended 30 June 08 A\$ Millions
Revenue	306.8	159.6
EBITDA	120.4	41.9
EBITDA Margin	39%	26%
Net Profit After Tax	81.7	23.4
Earnings per Share	99.8	28.8 cents
Coal Sales	1.989Mt	1.903Mt
Cash & Cash Equivalents	65.8	5.6
Current Ratio	2.0	2.5
Interest Bearing Loans	Nil	9.7
Net Assets	166.5	101.7

Gloucester Coal CEO Barry Tudor said the company's strong performance had been achieved through its flexible response to changing market conditions.

"As coking coal demand softened in the second half of the year, thermal coal sales were successfully increased to maintain full utilization of the Company's port allocation and production capability while reducing coal stockpiles.

"Contained production costs and sales volumes 5% higher than the previous year have enabled Gloucester Coal to capture record revenues and profits.

"We begin the new financial year with solid production performance, an increased focus on exploration, strong customer demand, and Gloucester Basin expansion plans well-advanced. These factors combine to underscore the long term viability of our mining operations in the Gloucester Basin", Mr. Tudor said.

FINANCIAL

Cash on hand increased from \$5.6 million at the beginning of the year to \$65.8 million at the end of the year. The balance sheet strengthened and net tangible assets increased from 136.7 cents per share at June 2008 to 211.9 cents per share at June 2009.



OUTLOOK

The Company's expansion to annual production of 2.8 million tonnes is on track and on budget. The facility expansion currently underway will deliver long term value from increased identified coal resources.

Following the reserve upgrades during the year the Company increased the strip ratios of its mining areas to access deeper economic coal reserves over the long term. This will in turn lead to higher mining costs.

The coal exploration program has been further expanded, with ambitious exploration targets set and the resources to deliver on those targets.

Export thermal coal prices have improved since the end of the 2009 financial year, with continued strong demand for Gloucester thermal coal. Recently the Company agreed to supply thermal coal in 2011 and 2012 fixed at a high A\$ margin and will continue to seek thermal coal contracts which maximise profit margin and deliver consistent offtake of thermal product. Customers indicate a more positive outlook for coking coal and the Company is positioning itself to take advantage of the expected increase in demand.

CHANGE OF CONTROL

On 16 June 2009 Noble Group Limited's off-market takeover offer of Gloucester Coal closed with the Noble Group holding 87.71% of the Company.

STRATEGIC REVIEW

A review of the Company's operations, assets, capital structure and strategy is currently in progress and further announcements regarding the strategic direction of the Company are expected at the conclusion of this review.

DIVIDEND

The Directors have not declared a final dividend while the outcome of the strategic review is underway. The Company paid a fully franked interim dividend of 13.5 cents per share in March 2009.

AUDIT STATUS

The preliminary final report is based on accounts which are in the process of being audited.

FOR FURTHER INFORMATION

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