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**GLOUCESTER COAL**



## **Noble Group announces the disposal of interest in Middlemount Coal Pty Ltd**

Attached is the announcement released to the Singapore Exchange by Noble Group Limited regarding the disposal of interest in Middlemount Coal Pty Ltd.

Noble Group is the major shareholder of Gloucester Coal, holding approximately 87.7% of Gloucester Coal's shares.

## NOBLE GROUP LIMITED

### DISPOSAL OF INTEREST IN MIDDLEMOUNT COAL PTY LTD (“MIDDLEMOUNT”)

#### 1. INTRODUCTION

1.1 **Middlemount Disposal.** The Board of Directors of Noble Group Limited (the “**Company**” or “**Noble**”) is pleased to announce that it and Gloucester Coal Ltd (“**Gloucester**”) have today entered into a sale and purchase agreement (“**SPA**”) pursuant to which:

- (a) Paway Limited (“**Paway**”), a wholly-owned subsidiary of Noble, will sell 88,450 ordinary shares (the “**Initial Shares**”) in the capital of Middlemount (the “**Middlemount Shares**”) to Gloucester (SPV) Pty Limited (“**Buyer**”), a wholly owned subsidiary of Gloucester;
- (b) Paway will sell an additional 8,000 Middlemount Shares (the “**Additional Shares**”) to the Buyer on the terms and conditions of the Share Sale Agreement Custom Mining (Middlemount) Pty Limited between Custom Mining Pty Limited (“**Custom Mining**”), Paway and Middlemount dated 4 April 2007;
- (c) Paway and Noble Resources Pte Ltd (“**Noble Resources**”) will assign certain contracts, including but not limited to a call option deed between Middlemount, Custom Mining and Paway pursuant to which Paway has the right to have transferred to it 64,275 Middlemount Shares (the “**Call Option Shares**”); and
- (d) Noble Resources agrees to pay to the Buyer the fees it is entitled to receive under the royalty deed between Oceltip Pty Ltd, Middlemount and Noble Resources dated 7 June 2007 (as amended and restated on 10 October 2008),

(collectively the “**Middlemount Disposal**”).

1.2 **Consideration.** The consideration (the “**Consideration**”) for the Middlemount Disposal is A\$437.5 million, of which A\$337.5 million will be payable in cash and A\$100 million will be satisfied by the allotment and issue to Noble of new shares (“**Gloucester Shares**”) in the capital of Gloucester (the “**Gloucester Acquisition**”). The Gloucester Shares issued as part consideration for the Middlemount Disposal will be issued at the same price per Gloucester Share pursuant to the Entitlement Offer (as defined below).

The Consideration was arrived at on a willing seller willing buyer basis after taking into account prevailing coal market conditions and a financial and technical evaluation of Middlemount.

1.3 **Non-discloseable Transactions.** The Middlemount Disposal and the Gloucester Acquisition are not discloseable transactions for the purposes of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”). The Middlemount Disposal and the Gloucester Acquisition are therefore not material for the purposes of the Listing Manual.

## 2. CONDITIONS PRECEDENT

- 2.1 **Conditions.** The Middlemount Disposal is conditional upon, amongst others,
- (a) the Buyer obtaining Foreign Investment Review Board approval for the acquisition by it of the Initial Shares, the Additional Shares and the Call Option Shares;
  - (b) approval from the shareholders of Gloucester in relation to the transactions contemplated by the SPA; and
  - (c) the independent expert reporting to Gloucester's shareholders concluding that the transactions contemplated by the SPA and the various agreements to be entered pursuant to the SPA, are fair and reasonable to shareholders of Gloucester who are not associates of Noble, and such independent expert not changing its conclusion or withdrawing its report.

## 3. INFORMATION ON GLOUCESTER

- 3.1 **Gloucester.** Gloucester is a company registered in Western Australia and is listed on the Australian Securities Exchange ("**ASX**"). Gloucester is an independent mining company having exploration and mining activities in the Gloucester Basin, some 100 km north of Newcastle, New South Wales, Australia. Gloucester primarily exports both thermal and coking coal products into specific market niches.
- 3.2 **Asset Value of the Gloucester Shares**<sup>1</sup>. As at 30 June 2010, the book value of the Gloucester Shares was approximately US\$16,567,000 and the net tangible asset value of the Gloucester Shares was approximately US\$14,224,000. Based on the weighted average share price of the Gloucester Shares on the ASX on 2 August 2010, the market value of the Gloucester Shares is approximately A\$124,909,000 (US\$114,129,000)<sup>2</sup>.
- 3.3 **Net Profits of the Gloucester Shares.** The net profits before tax, minority interests and exceptional items attributable to the Gloucester Shares for the financial year ended 30 June 2010 is approximately US\$3,798,000.

## 4. INFORMATION ON MIDDLEMOUNT

- 4.1 **Middlemount.** Middlemount is a joint venture between Noble and Macarthur Coal Limited which operates the Middlemount mine. The Middlemount mine is located 6 km south-west of the township of Middlemount in central Queensland. The Middlemount mine is expected to produce low volatile PCI coal and semi-hard coking coal.

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<sup>1</sup> The figures in paragraph 3.2 are based on Gloucester's financial results for the year ended 30 June 2010 as announced on 3 August 2010 and calculated on the assumption that 10,000 Gloucester Shares will be issued to Noble as part consideration for the Middlemount Disposal.

<sup>2</sup> Based on an exchange rate of A\$1:US\$0.9137 as at 2 August 2010.

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4.2 **Asset Value of the Middlemount Disposal**<sup>3</sup>. As at 31 March 2010, the book value of the Middlemount Disposal was approximately US\$99,628,000 and the net tangible asset value of the Middlemount Disposal was approximately US\$99,628,000.

4.3 **Net Losses of the Middlemount Disposal**. The net losses before tax, minority interests and exceptional items attributable to the Middlemount Disposal for the three months ended 31 March 2010 is approximately US\$951,000.

## 5. EQUITY RAISING BY GLOUCESTER

To fund the Consideration payable for the Middlemount Disposal, Gloucester has announced an equity raising of up to A\$455 million through a 3 for 5 accelerated, non-renounceable pro rata entitlement offer ("**Entitlement Offer**"). The Entitlement Offer comprises:

- (a) a A\$410 million underwritten institutional component; and
- (b) a A\$45 million non-underwritten retail component ("**Retail Entitlement Offer**").

The offer price for the Entitlement Offer is A\$9.25 per Gloucester Share.

Subject to sufficient demand, Gloucester reserves the right to raise up to an additional A\$90 million through an institutional placement ("**Placement**").

Noble, which currently holds 87.7 per cent. of Gloucester<sup>4</sup>, will not participate in the Entitlement Offer and, as a result, its shareholding in Gloucester following completion of the Entitlement Offer and the Middlemount Disposal is expected to reduce to about 61 per cent. to 63 per cent. If Gloucester proceeds with the Placement, Noble's shareholding in Gloucester will be further reduced to about 57 per cent. to 59 per cent.<sup>5</sup>

Gloucester is not a principal subsidiary (as defined in the Listing Manual) of Noble. Accordingly, shareholders' approval is not required for Noble's reduction in interest in Gloucester as a result of the Entitlement Offer.

Please refer to Gloucester's announcement dated 4 August 2010 for further details on the Entitlement Offer.

## 6. TAKEOVER BID IN RELATION TO GLOUCESTER

Noble confirms the following matters:

- (a) Osendo Pty Ltd, the bidder under Noble's takeover bid in relation to Gloucester will not rely on the Middlemount Disposal, the Gloucester Acquisition, the Entitlement

<sup>3</sup> The figures in paragraph 4.2 are based on Noble's financial results for the three month period ended 31 March 2010.

<sup>4</sup> As at 30 July 2010, Noble has acceptances under the Gloucester Offer for a further 5.2 per cent of Gloucester Shares.

<sup>5</sup> Noble's final shareholding will depend on various matters including the level of participation in the Retail Entitlement Offer, whether the Placement occurs and the level and timing of acceptances and transfers under the Gloucester Offer.

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Offer or the Placement as triggering a defeating condition of the offers made under the bid ("**Gloucester Offer**");

- (b) the Middlemount Disposal, the Gloucester Acquisition, the Entitlement Offer and the Placement will not affect the price of A\$12.60 for each Gloucester Share offered under the Gloucester Offer; and
- (c) all Gloucester Shareholders registered as such on the record date for the Entitlement Offer will be entitled to participate in the Entitlement Offer whether or not they have accepted the Gloucester Offer and whether or not their acceptances are entitled to be withdrawn.

## 7. FURTHER INFORMATION

- 7.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Middlemount Disposal and/or the Gloucester Acquisition ("**Transactions**"). Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 7.2 **Interests of Directors and Substantial Shareholders.** None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Transactions.
- 7.3 **Documents for Inspection.** A copy of the SPA is available for inspection during normal business hours at One Marina Boulevard, #28-00, Singapore 018989 for a period of three months commencing from the date of this Announcement.

Noble Group Limited  
4 August 2010

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### About Noble Group

Noble Group (SGX: N21) is a market leader in managing the global supply chain of agricultural, energy, metals and mining resources. The Group operates from over 150 offices and plants in 38 countries and employing approximately 70 nationalities. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation. With 2009 annual revenues exceeding US\$31billion, Noble owns and manages an array of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, vessels, ports and other infrastructure to ensure high quality products are delivered in the most efficient and timely manner to its customers.

In 2010, Noble ranked #242 on the annual Fortune Global 500. In late 2009, Noble Group was honored at the DHL SCMP Hong Kong Business Awards by winning the coveted International Award.

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During the year, Noble achieved "Investment Grade" ratings (Baa3) from Moody's Investors Service and (BBB-) from Standard & Poor's, complementing its initial "Investment Grade" rating (BBB-) from Fitch the previous year. In addition, Noble appears on the Forbes Global 2000 and Forbes Fab 50 lists of leading companies. Noble Group is among the 30 securities listed on the Straits Times Index.

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