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## MACARTHUR COAL REVISED PROFIT GUIDANCE FOR H1 FY2011 OF \$97-102 MILLION

### About Macarthur Coal

Macarthur Coal Limited is the world's largest producer of seaborne low volatile pulverised injection (LVPCI) coal used for steel making. As a supplier to the world's leading steel producers, Macarthur Coal exports its entire product around the globe.

The Company currently operates two mines in Queensland's Bowen Basin and plans to double its production between 2009 and 2014 through the development of the Middlemount Mine project and an additional mine from its extensive project portfolio.

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Macarthur Coal Limited (ASX:MCC) has today revised its profit guidance for the first half of the 2011 financial year.

Based on current forecasts, profit for the six months to December 2010 is likely to be in the range of \$97 million to \$102 million. This is lower than the \$115 – \$125 million guidance provided on 27 October 2010 but remains higher than the \$39.6 million reported in the previous corresponding half.

Saleable production is likely to be in the range of 2.4-2.5 million tonnes rather than the range of 2.5-2.7 million tonnes provided in previous guidance.

The unseasonal wet weather that impacted production and necessitated the declaration of force majeure on 3 December 2010 has persisted and as a result has affected the mining operations, the coal sales mix, and has caused infrastructure constraints in the Goonyella rail corridor. Specifically, the profit range for the December 2010 half has been revised as a result of the following issues:

- significant unbudgeted weather events continuing to affect production and constraining coal availability
- lower volume of LV PCI sales partially offset by higher volumes of thermal sales
- stronger Australian Dollar than previously forecast
- fixed operating costs not being offset by saleable production towards the end of the quarter.

The range provided is based on forecast operating results and remains sensitive to any non-cash accounting adjustments including the valuation of the financial derivatives.

Commenting on the profit guidance Macarthur Coal CEO and Managing Director, Nicole Hollows, said "On site management had done a good job in managing productivity and stockpiles to the end of November in difficult conditions however the continuing unseasonal wet weather has meant that productivity and coal availability has been significantly affected in December. I am pleased to report, that even with the challenging conditions, mine site safety standards have been maintained".

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