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**GLOUCESTER
COAL**

Settlement of Institutional Entitlement Offer

Gloucester Coal Ltd (ASX:GCL) announces that on 23 May 2011 it completed settlement of the institutional component of its 2 for 11 accelerated pro rata non-renounceable entitlement offer (**Entitlement Offer**) announced by Gloucester on 16 May 2011. The results of the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) were announced by Gloucester on 17 May 2011.

Gloucester has issued 24,301,090 New Shares under the Institutional Entitlement Offer to raise approximately \$218 million. The New Shares will begin trading on ASX today.

Retail Entitlement Offer

On 20 May 2011, Gloucester dispatched to eligible retail shareholders a retail offer booklet and entitlement and acceptance form in connection with the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer is scheduled to close at 5.00pm (AEST) on 6 June 2011.

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Gloucester Entitlement Offer Information Line on 1300 579 638 (within Australia) or +61 3 9415 4336 (from outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period. For other questions you should consult your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.

For Further Information

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