

NOTICE OF ANNUAL GENERAL MEETING

28 October 2011

ABN 66 008 881 712

Level 7
167 Macquarie Street
Sydney NSW 2000 Australia

Phone 612 9220 9900
Fax 612 9220 9999
www.gloucestercoal.com.au



**GLOUCESTER
COAL**

Notice of annual general meeting and explanatory notes

GLOUCESTER COAL LTD ACN 008 881 712

Date: Wednesday, 30 November 2011

Time: 9:30am (AEDT)

Place: Minter Ellison
Level 19
88 Phillip Street
Sydney, New South Wales

Notice of annual general meeting

The annual general meeting of Gloucester Coal Ltd (**Gloucester** or **Company**) will be held at Level 19, 88 Phillip Street, Sydney, New South Wales at 9:30am (AEDT) on Wednesday, 30 November 2011 .

Business

1. Financial statements and reports

To receive and consider:

- a) the financial statements;
- b) the directors' report; and
- c) the auditor's report

for Gloucester for the year ended 30 June 2011.

Resolutions

2. Re-election of directors

To consider and, if thought fit, to pass the following resolutions (each as a separate resolution):

- i. 'That Ricardo Leiman who retires by rotation under rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a Director of the Company';
- ii. 'That Denis Gately, a Director appointed since the last Annual General Meeting who ceases to hold office in accordance with rule 7.1(c) of the Company's Constitution, and being eligible, is elected as a Director of the Company'; and
- iii. 'That Julie Beeby, a Director appointed since the last Annual General Meeting who ceases to hold office in accordance with rule 7.1(c) of the Company's Constitution, and being eligible, is elected as a Director of the Company'.

Information about the above candidates appears in the Explanatory Notes.

3. Approval of grant of options under Long Term Incentive Plan to Managing Director

To consider, and if thought fit, to pass the following resolution:

- i. 'That approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14 and 10.15, to the acquisition by Brendan McPherson (Managing Director and Chief Executive Officer) of Gloucester Coal Ltd of 284,730 options under the Company's Long Term Performance Plan, on the terms of that plan and as otherwise set out in the Explanatory Notes accompanying the notice of meeting'.

4. Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution:

'That the Remuneration Report for the year ended 30 June 2011 be adopted'.

*Note: In accordance with section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and will not bind the Company or its directors.*

5. Appointment of Ernst & Young as Auditors of the Company.

To consider, and, if thought fit, pass the following resolution:

'That Ernst & Young (a firm), who has consented in writing to act as auditor of the company, is appointed the external auditor of Gloucester Coal Ltd with effect from the conclusion of this annual general meeting held on 30 November 2011'.

By order of the Board

28 October 2011



James MacKenzie
Chairman

Voting, proxies and questions

Voting

Gloucester has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, that Gloucester's Shares quoted on ASX Limited at 7:00pm (AEDT) on Monday, 28 November 2011, will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote at the meeting.

Proxies, Attorneys and Representatives

- 1) A shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies or attorneys to attend and vote on behalf of that shareholder.
- 2) If a shareholder appoints two proxies or attorneys, the appointment of the proxies or attorneys may specify the proportion or the number of that shareholder's votes that each proxy or attorney may exercise. If the appointment does not so specify, each proxy or attorney may exercise half of the votes. Fractions of votes will be disregarded.
- 3) Where a shareholder appoints more than one proxy or attorney, neither proxy or attorney is entitled to vote on a show of hands, and on a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.
- 4) Neither a proxy nor an attorney need be a shareholder of Gloucester.
- 5) A proxy may be an individual or a body corporate.
- 6) The appointment of a proxy or attorney is not revoked by the appointor attending and taking part at the Annual General Meeting, but if the appointor votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointor's proxy or attorney on the resolution.
- 7) To be effective, Gloucester must receive the instrument appointing the proxy or attorney and, if the instrument is signed by the shareholder's attorney, the authority under which the instrument is signed (or a certified copy of the authority) by no later than 9:30am (AEDT) on 28 November 2011. A sample form of the instrument appointing a proxy or attorney accompanies this notice of Annual General Meeting.
- 8) Proxy forms may be lodged with Computershare:
 - a) by mail, to:

Computershare Investor Services Pty Limited
GPO Box 242,
Melbourne, Victoria 3001, or
 - b) in person or by post at:

Computershare Investor Services Pty Ltd
Level 4, 60 Carrington Street
Sydney, New South Wales 2000, or
 - c) by facsimile on:

1800 783 447 (within Australia); or
+61 3 9473 2555 (outside Australia), or

d) Custodian Voting:

For Intermediary online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

9) Alternatively, proxy forms may be lodged with Gloucester:

a) by mail, to the attention of the Company Secretary, at:

Gloucester Coal Ltd
Level 7
167 Macquarie Street
Sydney, New South Wales 2000, or

b) by facsimile on:

+61 2 9220 9999.

10) A corporate shareholder or proxy may elect to appoint a representative to vote. Where a corporate shareholder or proxy appoints a representative, the chairperson of the meeting may require a person acting as representative to establish to the chairperson's satisfaction that the person is duly appointed to act. If the person fails to satisfy that requirement, the chairperson may exclude the person from attending or voting at the meeting. Accordingly, Gloucester encourages written proof of a representative's appointment to be lodged with or presented to Gloucester by no later than 9:30am (AEDT) on 28 November 2011. Representatives of corporate shareholders or proxies are also encouraged to provide a copy of the instrument of their appointment and to produce it if requested at the Annual General Meeting.

11) For a resolution to be passed, it must be approved by more than 50% of the total number of votes which are cast on each resolution, unless it is a special resolution in which case it must be approved by at least 75% of the total number of votes which are cast on it.

12) Voting exclusions apply to Resolutions 3 and 4. Refer to the voting exclusion notices in the Notice of Meeting. No voting exclusions apply to Resolutions 1, 2 and 5.

Undirected Proxies

The chairman of Gloucester will chair the meeting. The chairman will vote undirected proxies in favour of all Resolutions. Gloucester recommends that shareholders who submit proxies should consider giving 'how to vote' directions to their proxyholder on each resolution.

If you complete a proxy form that authorises the chairman to vote on your behalf as proxyholder and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of Resolution 4 (adoption of the remuneration report), and the chairman will vote accordingly. If you wish to appoint the chairman as your proxyholder but you do not wish to put him in the position to cast your vote on Resolution 4, you should complete the appropriate box on the proxy form, directing him to vote against or to abstain from voting on, the Resolutions.

Questions and comments by shareholders

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders as a whole to ask questions about or to make comments on, Gloucester's management or the remuneration report at the meeting. Similarly, a reasonable opportunity will be given to shareholders as a whole to ask Gloucester's auditor, Ernst & Young, questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by Gloucester in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also send written questions to the auditor concerning the content of the audit report or the conduct of the audit of Gloucester's financial report for the year ended 30 June 2011 in advance of the meeting.

During the course of the Meeting, the Chairman of the Meeting will seek to address as many of the more frequently raised relevant topics as reasonably practicable. However, there may not be sufficient time available at the Meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

- 1) In accordance with the Corporations Act, a reasonable opportunity will be provided to shareholders as a whole at the annual general meeting to ask questions about, or make comments upon, the management of the company including the Remuneration Report.
- 2) In addition, shareholders as a whole at the annual general meeting will be allowed a reasonable opportunity to ask the Auditor or the Auditor's representative at the meeting questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by Gloucester in relation to the preparation of the financial statements for the year ended 30 June 2011 and the independence of the auditor in relation to the conduct of the audit.

Please send your questions to:

Gloucester's dedicated email address:

agmquestions@gcl.com.au

or by mail or delivery to:

The Company Secretary
Gloucester Coal Ltd
Level 7, 167 Macquarie Street
Sydney NSW 2000

Or by facsimile to:

The Company Secretary
Gloucester Coal Ltd
+61 2 9220 9999

Written questions must be received by no later than 5:00pm AEDT on Wednesday 23 November 2011.

A question list of questions addressed to Ernst & Young will be prepared by Ernst & Young and will be made available to shareholders at the meeting.

Explanatory notes

These explanatory notes accompany and form part of the notice of meeting dated 28 October 2011

1. Financial statements and reports

In accordance with the Corporations Act, the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report for the year ended 30 June 2011 will be put before the AGM. These reports are in Gloucester's 2011 Annual Report and can be accessed on our website at www.gloucestercoal.com.au.

This item does not require a formal resolution and, accordingly, no vote will be held on this item. Shareholders will, however, be given a reasonable opportunity to ask questions on these reports or make comments on Gloucester's performance and operations during discussion on this item.

2. Re-election of directors

BACKGROUND

- 2.1 Ricardo Leiman will retire by rotation at the conclusion of the meeting in accordance with rule 7.1(d) of Gloucester's Constitution and, being eligible, intends to offer himself for re-election as a Director of Gloucester Coal Ltd. Denis Gately and Julie Beeby were appointed since the last Annual General Meeting and will cease to hold office at the conclusion of the meeting in accordance with article 7.1(c) of Gloucester's Constitution (unless elected at the meeting). Being eligible, Denis Gately and Julie Beeby intend to offer themselves for election as a Director of Gloucester Coal Ltd. Biographical details follow.

PROFILES

- 2.2 Ricardo Leiman (Non-Executive Director) has been a director of Gloucester Coal since 16 June 2009. Mr Leiman is an Executive Director and the Chief Executive Officer of Noble Group Limited. He was first appointed Director of Noble on 1 April 2009 and was last re-elected at the Noble annual general meeting on 27 April 2009. Mr Leiman holds MBAs from the University of Rochester NY, U.S.A and the University of Nyenrode, the Netherlands as well as an Economics degree from the University of Sao Paulo, Brazil. He started his career with Credit Lyonnais Bank in Brazil followed by management positions with Louis Dreyfus in Sao Paulo and London, Eximcoop in the Netherlands and Trader Classified Media in London and Paris. In 2002 he rejoined Louis Dreyfus as COO North America, EMEA (Europe, Middle East, Africa) and Asia, later becoming COO Soft Commodities. Mr Leiman joined Noble in April 2006. Mr Leiman was a Director of Windimurra Vanadium Limited (Administrators appointed) in the previous three years (November 2006 to February 2009).
- 2.3 Denis Gately (Independent Non-Executive Director) is a corporate and commercial lawyer with more than 30 years' experience working in the resources (minerals, oil and gas) and energy sectors. His experience includes both transactional (M&A, capital markets) and operational aspects of mineral exploration and production. He has extensive experience in the coal sector in Queensland and New South Wales, both in the sale and purchase of assets and businesses, and in all aspects of

operations including development, transport and sales. Mr Gately joined Minter Ellison in 1985 in 1985 and was a partner from 1987 to 2010. He was head of the firm's national energy and resources group for four years, a member of its national board for nine years and managing partner of its Brisbane office for six years. He is a former director, national president and now an honorary life member of AMPLA Ltd (the Australian Resources and Energy Law Association). He is also a director and chairman of Alligator Energy Ltd, an ASX listed company engaged in uranium exploration.

- 2.4 Julie Beeby (Independent Non-Executive Director) is the CEO of WestSide Corporation a Queensland based coal seam gas explorer and producer. Previously, she was General Manager, Strategic Planning and Projects at Peabody Pacific, where she was closely involved in the development and expansion of Peabody's mining operations in Australia. Dr Beeby is also a Director of Queensland Electricity Transmission Corporation Ltd (Powerlink) and Chairperson of ZeroGen, a Queensland low emission coal project. She has a Graduate Diploma and an MBA in Technology Management from Deakin University as well as a First Class Honours Bachelors degree in Science and a Doctorate in Physical Chemistry from the University of Sydney. She has been member of Australian Institute of Company Directors since 2003 and graduated from the Company Directors course in 2009.

RECOMMENDATIONS

- 2.5 The directors, with the exception of Ricardo Leiman, recommend that shareholders vote in favour of the re-election of Mr Leiman. Mr Leiman makes no recommendation.
- 2.6 The directors, with the exception of Denis Gately, recommend that shareholders vote in favour of the election of Mr Gately. Mr Gately makes no recommendation.
- 2.7 The directors, with the exception of Julie Beeby, recommend that shareholders vote in favour of the election of Dr Beeby. Dr Beeby makes no recommendation.

3. Approval of grant of options under Long Term Incentive Plan to Managing Director

- 3.1 This resolution is being put to shareholders for the purpose of approving the participation by the Managing Director (Brendan McPherson) in Gloucester's Long Term Incentive Plan (**LTIP**). Specifically, it is proposed that Brendan McPherson be issued 284,730 options under the LTIP. The options would have an exercise price equal to the volume weighted average price (**VWAP**) of ordinary shares over the 14 day period up to and including 30 November 2011.

BACKGROUND

- 3.2 The Gloucester Board believes that the offer of options under the LTIP is an important part of the Managing Director's overall remuneration package and Gloucester's retention plan. The options are designed to provide a long term incentive to pursue the growth and success of Gloucester. The LTIP is focused on individuals whose roles and contributions are identified as critical to the continued growth and success of Gloucester.

PARTICIPATION IN THE LTIP

- 3.3 Under ASX Listing Rule 10.14, no director can acquire securities under an employee incentive scheme without shareholder approval. Accordingly, approval is sought for Brendan McPherson to participate in the LTIP for the current financial year ended 30 June 2012.
- 3.4 If approved by the shareholders, 284,730 options would be issued to Brendan McPherson with an exercise price equal to the volume weighted average price (**VWAP**) of ordinary shares over the 14 day period up to and including 30 November 2011.
- 3.5 The options that may be granted to Brendan McPherson will be offered for nil cost to him. Capital raised through the exercise of options will be used as part of the working capital of Gloucester.
- 3.6 Subject to the relevant performance condition being met (described below), the options will vest as follows:
The earlier of a change of control (as defined in the terms of issue) of Gloucester and:
- 94,910 on 1 December 2013;
 - 94,910 on 1 December 2014; and
 - 94,910 on 1 December 2015.
- 3.7 As part of the Gloucester Group's annual remuneration review process, independent data was analysed to benchmark the above award against current market practice for positions comparable to that occupied by Brendan McPherson.
- 3.8 The potential award under the LTIP proposed for Brendan McPherson was appropriately benchmarked against, and consistent with, entitlements offered to executives of comparable organisations to Gloucester with similar duties and responsibilities to that of Brendan McPherson.
- 3.9 In accordance with the terms of the LTIP, the Board resolved to apply an additional condition to the grant of these options to provide for accelerated vesting on the occurrence of a change of control (defined in the terms of issue).
- 3.10 The terms of the options to be granted comply with applicable ASX listing rule requirements.

PERFORMANCE CONDITION

- 3.11 For each tranche Brendan McPherson must maintain continuous employment with the Gloucester group until the vesting date for that tranche.
- 3.12 For each tranche, for any continuous 12 month period during the period commencing on the grant date and ending on 1 December 2018 (being the expiry date), Gloucester's 'total shareholder return' for a continuous 12 month period must be greater than the change in the S&P/ASX 200 (expressed as a percentage) for that continuous 12 month period.
- 3.13 Gloucester's total shareholder return for a period is calculated by reference to the market price for a share at the start of the period compared to the market price for a share at the end of the period combined with the value of any dividends paid during the period.

TREATMENT ON CESSATION OF EMPLOYMENT

- 3.14 If Brendan McPherson ceases to be an employee of the Gloucester Group before any options vest or are exercised, the options granted to Brendan McPherson pursuant to this item will lapse on the cessation of his employment unless the Board determines otherwise prior to or within 60 days of the cessation of his employment.

FURTHER INFORMATION DISCLOSED IN ACCORDANCE WITH ASX LISTING RULE 10.15

- 3.15 Pursuant to approval by shareholders at the 2010 Annual General Meeting, 1,000,000 options were granted to Barry Tudor in the year to 30 June 2011 under the LTIP at nil cost to him (these options were cancelled during the same year). Several months prior to him being appointed as a Director, Brendan McPherson was issued with 1,000,000 options under the LTIP at nil cost to him. Further details about these options can be found in the 2011 Annual Report.
- 3.16 Other than Brendan McPherson, no other Director or associate of any Director is entitled to participate in the LTIP in the current year.
- 3.17 If approved by shareholders, Gloucester intends to grant the options to Brendan McPherson on 1 December 2011 and in any event no later than 12 months after the date of the annual general meeting.

RECOMMENDATION

- 3.18 If you intend to appoint a proxy to vote on your behalf on resolution 3, please read the information above under the heading, 'Undirected Proxies'.
- 3.19 The Directors (with Brendan McPherson abstaining) recommend that shareholders vote in favour of this resolution. Brendan McPherson makes no recommendation.

4. Adoption of Remuneration Report

- 4.1 The Remuneration Report is set out on pages 34 to 47 (inclusive) of Gloucester's 2011 Annual Report which is available at <http://www.gloucestercoal.com.au> and www.asx.com.au.
- 4.2 The Remuneration Report contains information relating to:
- the remuneration philosophy, policies and practices with particular emphasis on linking and alignment of remuneration to corporate and individual objectives and performance;
 - the structure of remuneration for directors and executives, including, for executives only (including executive directors), short and long-term performance based remuneration;
 - the information on equity schemes within the Gloucester group; and
 - the details of remuneration for the year ended 30 June 2011 for Key Management Personnel (who are comprised of Gloucester's directors and certain senior executives).

- 4.3 Shareholders will be asked to vote at the annual general meeting on a resolution to adopt the Remuneration Report. The vote is advisory only and will not bind the directors of Gloucester or Gloucester. However, as a result of recent changes to the Corporations Act 2001, if at least 25% of the votes cast on the resolution are voted against the adoption of the Remuneration Report, then:
- 4.3.1 if comments are made on the report at the meeting, Gloucester's Remuneration Report for the next financial year must explain the Board's proposed action in response or if no action has been taken, the Board's reasons; and
 - 4.3.2 if at least 25% of the votes cast on the resolution that the Remuneration Report for the next financial year be adopted are against adoption, Gloucester will be required to put to shareholders a resolution that a general meeting be called to consider the election of directors of Gloucester (**spill resolution**). If the spill resolution is passed, all the Directors who were directors when the resolution to adopt the Remuneration Report was passed (other than the Managing Director) will cease to hold office at the subsequent general meeting unless re-elected at that meeting.
- 4.4 As mentioned above, a reasonable opportunity will be provided at the meeting for discussions of, and questions relating to, the remuneration report.
- 4.5 If you intend to appoint a proxy to vote on your behalf on resolution 4, please read the information above under the heading, 'Undirected Proxies'.

RECOMMENDATION

- 4.6 The Directors unanimously recommend that shareholders vote in favour of resolution 4.

5. Appointment of Ernst & Young as Auditors

- 5.1 Following the acquisition by Noble Group Limited of a controlling stake in Gloucester, Ernst & Young was appointed by Gloucester's Board as the Company's auditor, replacing its previous auditors KPMG.
- 5.2 A copy of the written notice of nomination of Ernst & Young as auditor of Gloucester is included with this Notice of Annual General Meeting. Ernst & Young has consented in writing to its appointment as auditor of Gloucester. The Board of Gloucester has been satisfied with respect to the proposed appointment of Ernst & Young as external auditor of the company that Ernst & Young are conflict free and independent.
- 5.3 If approved by shareholders, Ernst & Young will continue as auditor of Gloucester from the conclusion of the annual general meeting.

RECOMMENDATION

- 5.4 The Directors recommend that shareholders vote in favour of this resolution.

Copy of nomination letter for appointment of Ernst & Young as auditor of Gloucester

13 September 2011

The Company Secretary
Gloucester Coal Ltd
Level 7, 167 Macquarie Street, Sydney, NSW, 2000

I am a member of Gloucester Coal Ltd. I nominate Ernst & Young (a firm) to be the auditors of Gloucester Coal Ltd.

Yours faithfully



Gregory James Fletcher

Voting exclusion Statements for resolutions 3 and 4

Resolution 3

Gloucester will disregard any votes cast on Item 3 by Brendan McPherson or his associates and any other Director (excluding any Director who is ineligible to participate in any employee incentive scheme in relation to Gloucester) or their associates. However, Gloucester will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides.

Gloucester will also disregard any votes cast on resolution 3 by a person appointed as a proxy, where the appointment does not specify the way the proxy is to vote on the resolution, and the person is:

- a member of the key management personnel of Gloucester or the Gloucester Group (**KMP**); or
- a closely related party of a KMP.

However, the chairman may vote on resolution 3 if the appointment of the chairman as proxy expressly authorises him to exercise the proxy notwithstanding that the resolution is connected directly or indirectly with the remuneration of a member of the KMP of Gloucester or the Gloucester Group.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Gloucester, whether directly or indirectly. Members of the KMP include executive and non-executive directors and certain senior executives.

A closely related party of a member of the key management personnel is defined as:

- a company the member controls;
- the member's spouse, child or dependant (or a child or dependant of the member's spouse) or

- anyone else who is one of the member's family and may be expected to influence or be influenced by, the member in the member's dealing with Gloucester.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that Gloucester will disregard.

Resolution 4

Gloucester will disregard any votes cast on item 4 by a member of key management personnel or their closely related parties.

For the definition of 'key management personnel' and 'closely related party' of a member of key management personnel, see the notes to resolution 3 above.

However, Gloucester will not disregard a vote on resolution 4 if it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that Gloucester will disregard.

Please read the information under the heading 'Undirected Proxies', which (among other things) deals with the Chairman's voting of proxies on resolution 4.

000001 000 GCL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 9:30am (AEDT) on Monday 28 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Gloucester Coal Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Gloucester Coal Ltd to be held at Minter Ellison, Level 19, 88 Phillip Street, Sydney, NSW, on Wednesday 30 November 2011 at 9:30am (AEDT) and at any adjournment of that meeting.

Important for Item 4

If the Chairman of the Meeting is your proxy or is appointed as your proxy by default, not marking any of the below 'For', 'Against' or 'Abstain' boxes means that you have directed the Chairman of the Meeting to vote in favour of this resolution even though this item is connected directly or indirectly with the remuneration of a member of the key management personnel. **(Note: If you do not wish to give the Chairman of the Meeting such a directed proxy, you should ensure that a box other than the 'For' box is clearly marked in Step 2 below).**

Important for Item 3

If the Chairman of the Meeting is your proxy or is appointed as your proxy by default, by marking the box in this section, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 3 as set out below and in the Notice of Meeting (except where you have indicated a different voting intention below). If you do not mark this box, and you do not indicate your voting intentions below, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy, you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 3).

The Chairman of the Meeting intends to vote all available proxies in favour of Item 3 of business

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 3 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 3 is connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of this item and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest. **(Note: If you do not wish for to give the Chairman of the Meeting such a directed proxy, you should mark the boxes in Step 2 below).**

STEP 2 Items of Business **PLEASE NOTE:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2.i. Re-election of Ricardo Leiman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.ii. Election of Denis Gately as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.iii. Election of Julie Beeby as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of grant of options under Long Term Incentive Plan to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of Ernst & Young as Auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

<p>Individual or Securityholder 1</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director</p>	<p>Securityholder 3</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director/Company Secretary</p>
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Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____