



2011 FULL YEAR RESULTS PRESENTATION

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24 August 2011

GLOUCESTER COAL

FULL YEAR RESULTS PRESENTATION

24 August 2011

AGENDA

1. HIGHLIGHTS
2. FINANCIAL RESULTS
3. OPERATING RESULTS
4. DONALDSON AND MONASH
5. OUTLOOK
6. QUESTIONS



DISCLAIMER



Summary of information

This Presentation contains summary information about Gloucester Coal Ltd (“Gloucester”, “Gloucester Coal” or the “Company”) and its subsidiaries and their activities. It should be read in conjunction with Gloucester’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”), which are available at www.asx.com.au.

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This Presentation may contain, in addition to historical information, certain “forward-looking statements”. Often, but not always, forward-looking statements can be identified by the use of words such as “anticipate”, “believe”, “expect”, “scheduled”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “consider”, “foresee”, “aim”, “will” and other similar expressions. Indications of, and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of Gloucester to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are outside the ability of Gloucester to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Gloucester cannot give any assurance that such forward-looking statements will prove to have been correct.

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Financial data and rounding

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year ended 30 June unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

Past Performance

Past performance information given in this Presentation should not be relied upon as (and is not) an indication of future performance.

2011 FULL YEAR RESULTS

HIGHLIGHTS



Transformed the profile of Gloucester Coal through strategic acquisitions that improve the long term growth opportunities for the Company

- ✓ Acquired near 50% interest in Middlemount
- ✓ Announced acquisition of Donaldson and Monash (completed 14 July 2011)

Progressed major development projects to enhance production

- ✓ Duralie Extension Project approved¹
- ✓ First Stage Coal Handling Processing Plant (CHPP) upgrade completed
- ✓ Middlemount Project substantially progressed

Commenced operations review of Gloucester Basin and Donaldson operations

- ✓ Gloucester Basin review progressed substantially and items being actioned
- ✓ Review of Donaldson operations commenced in July 2011

Secured funding for future growth

- ✓ Established \$400m unsecured debt facility on competitive terms with Noble (July 2011)

Experienced management team in place

- ✓ New CEO and Deputy CEO commenced February 2011
- ✓ Executive appointments including General Manager Marketing, Investor Relations and General Counsel

Notes:

1. Project approval subject of merits appeal. Development can be carried out while appeal on foot. Appeal was heard by Land and Environment Court with decision expected this calendar year.

2011 FULL YEAR RESULTS

OVERVIEW



	FY11	FY10	Change
Total product (kt)	1,814	1,918	(5%)
Total sales (kt)	2,137	1,970	8%
Revenue (\$m)	306.6	229.3	34%
EBITDA (\$m)	81.1	52.3	55%
EBITDA Margin (%)	26%	23%	3%
EBITDA (\$m) (excluding transaction costs)	90.3	57.6	57%
Reported NPAT (\$m)	54.6	32.7	67%

- Achieved positive financial and operational results despite challenging circumstances

Notes:

- The Preliminary Financial Report is based on accounts which are in the process of being audited.

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FINANCIAL RESULTS



PRODUCTION AND SALES OVERVIEW



	FY 2011	FY 2010	Change
Production volumes (kt)			
Total ROM coal delivered to CHPP	2,943	3,101	(5.1%)
ROM coal processed	2,965	2,919	1.6%
Product yield	61%	66%	(5%)
Total product	1,814	1,918	(5.4%)
Sales volumes (kt)			
Coking coal	787	751	4.8%
Thermal coal	1,350	1,219	10.7%
Total sales	2,137	1,970	8.5%
Purchases	(86)	(183)	(53.0%)

- Production volumes were marginally below the prior year despite the impact of delays to the Duralie and Stratford Extension Projects
- Number of wet days and total rainfall were significantly higher than the prior year impacting on production and unit costs
- Coking coal sales increased despite softening of demand following the Japanese earthquake and tsunami events
- Thermal coal sales rose with demand for the Company's high ash thermal product remaining reliable and consistent

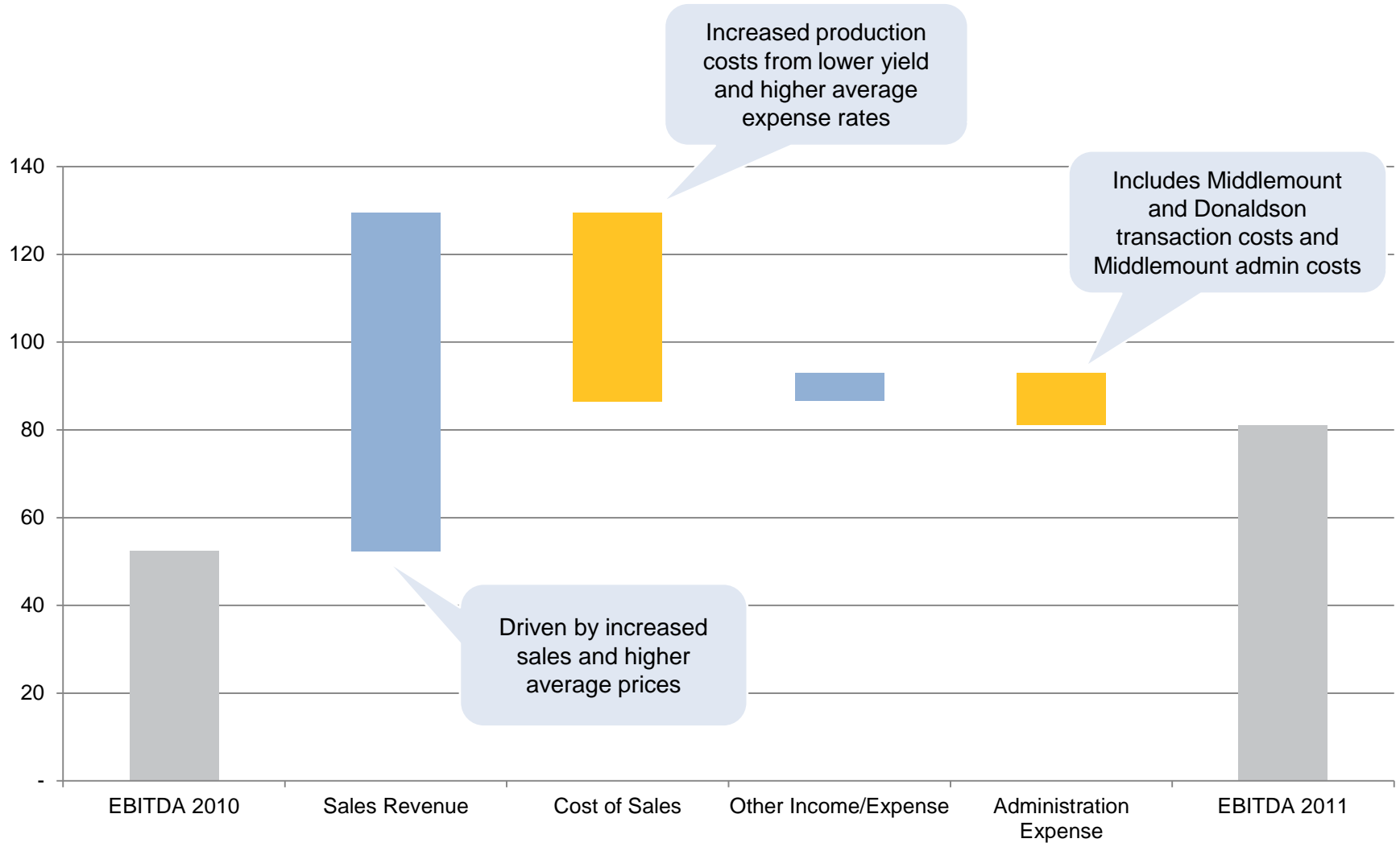
KEY FINANCIAL RESULTS



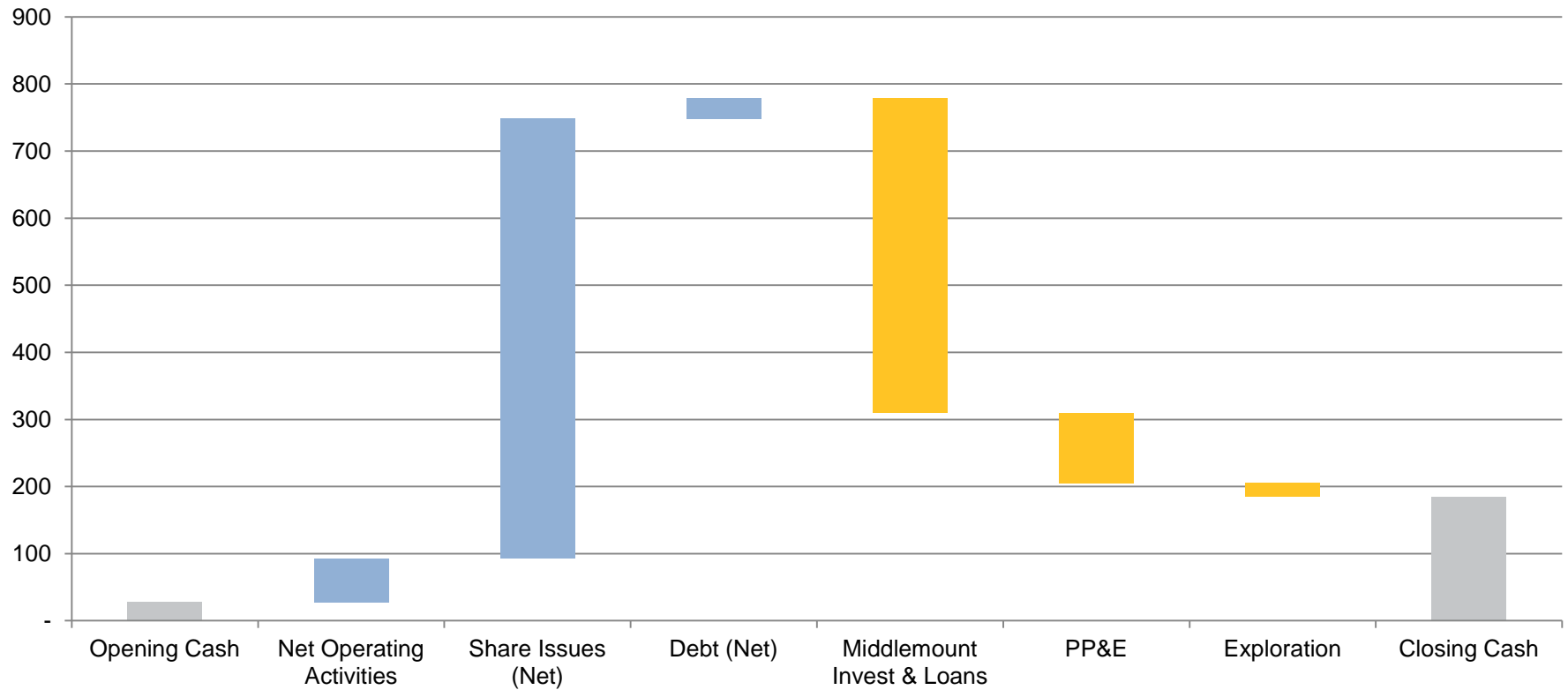
	FY 2011 \$m	FY 2010 \$m	Change
Revenue from sale of coal	306.6	229.3	34%
EBITDA	81.1	52.3	55%
EBIT	62.4	41.2	51%
Profit before tax	76.5	41.5	84%
Income tax expense	21.9	8.8	149%
Reported NPAT	54.6	32.7	67%
Basic earnings per share (cents)	38.3	36.1	6%

- Depreciation has increased year on year as a result of a higher capital base
- Income Tax expense moved in line with increase in profits
- Reported NPAT includes transaction costs relating to Middlemount (\$2.9m) and Donaldson (\$3.5m) acquisitions

EBITDA ANALYSIS FY2011



CASHFLOW ANALYSIS FY2011



- Total Capital Expenditure for FY11 was \$125.9m (including equity share of Middlemount)

GLOUCESTER COAL

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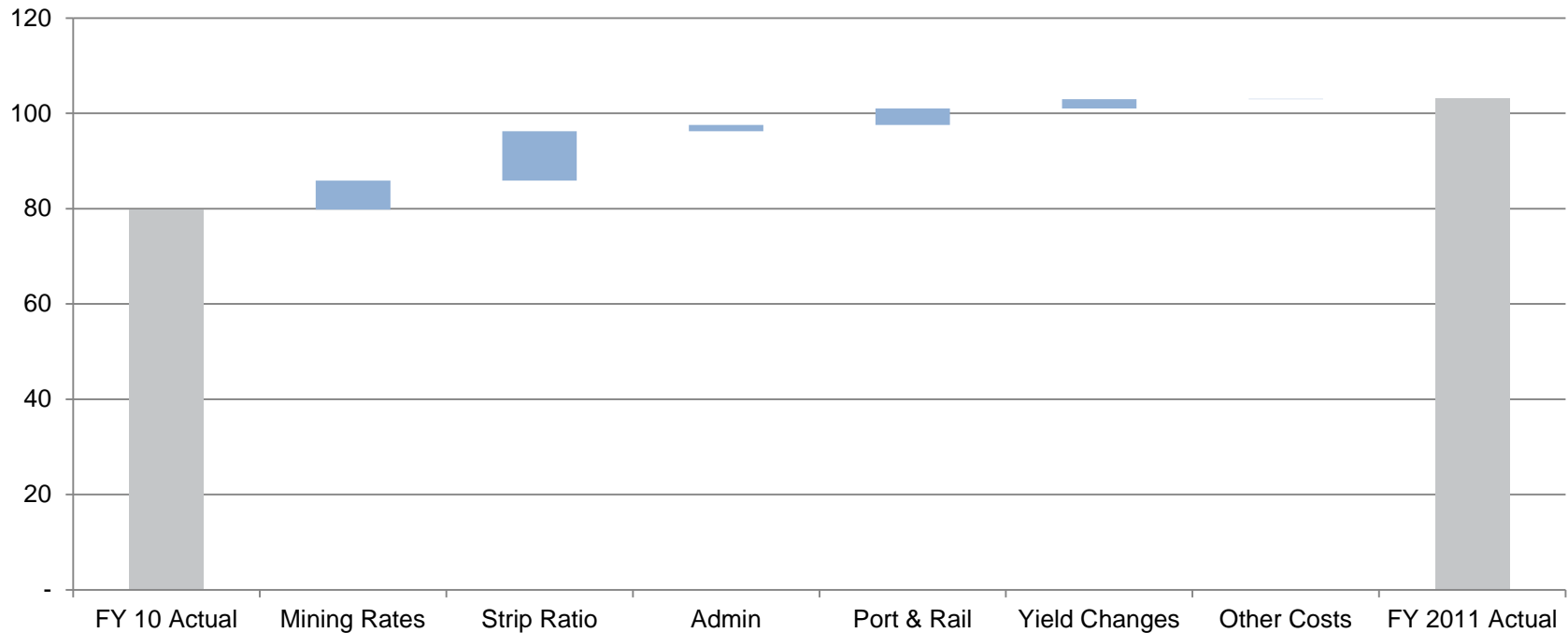
24 August 2011

OPERATIONS UPDATE





FOB Cash Cost (FY 2011) A\$ per tonne
 (Cash operating costs excluding Royalty and Interest, including waste in advance)



- Unit operating costs have increased as a result of higher strip ratios and impacts on production due to wet weather
- Contractor mining rates have increased due to impacts of wet weather, increases in labour costs and consumable costs.
- ROM production was impacted by delays to the Duralie Extension project and wet weather

GLOUCESTER BASIN OPERATIONS PROJECTS

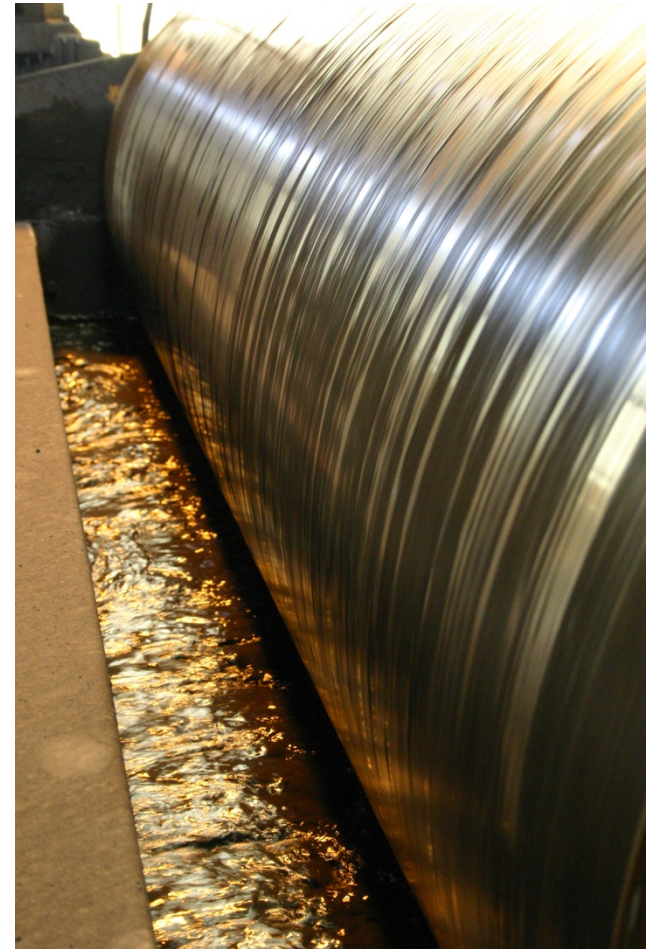


DURALIE EXTENSION PROJECT

- Duralie Extension Project approved December 2010
- Planned production ramp up at Duralie executed with required infrastructure now in place
- Production from Duralie pit increased by 3% despite impacts from adverse weather conditions
- New EBA to facilitate 7 day roster operations at Duralie approved
- New shuttle train commissioned to facilitate increased rail volumes between Duralie and Stratford
- Project approval subject of merits appeal, appeal heard by the Land and Environment Courts and a decision expected this calendar year
- Development can be carried out while appeal on foot

CHPP UPGRADE

- First stage of upgrade completed June 2011
- CHPP feed rates increased to 600 tonnes per hour
- Near record ROM feeds achieved in fourth quarter



MIDDLEMOUNT PROJECT

SUBSTANTIAL PROGRESS



- Civil works completed September 2010
- Rail spur construction commenced September 2010, progress severely impacted by wet weather
- 100,000 tonnes of trial ROM coal processed
- NRW awarded 5 year mining services contract in April 2011
- Revised Reserve statement finalised March 2011 representing 68% increase in coal reserves¹
- Environmental Impact Statement submitted to increase ROM production from 1.8mtpa to up to 5.4mtpa
- 15 year port contract secured at Abbott Point
- Long term rail contract commenced with Pacific National



Note:

1. Refer to ASX Release from 17 March 2011

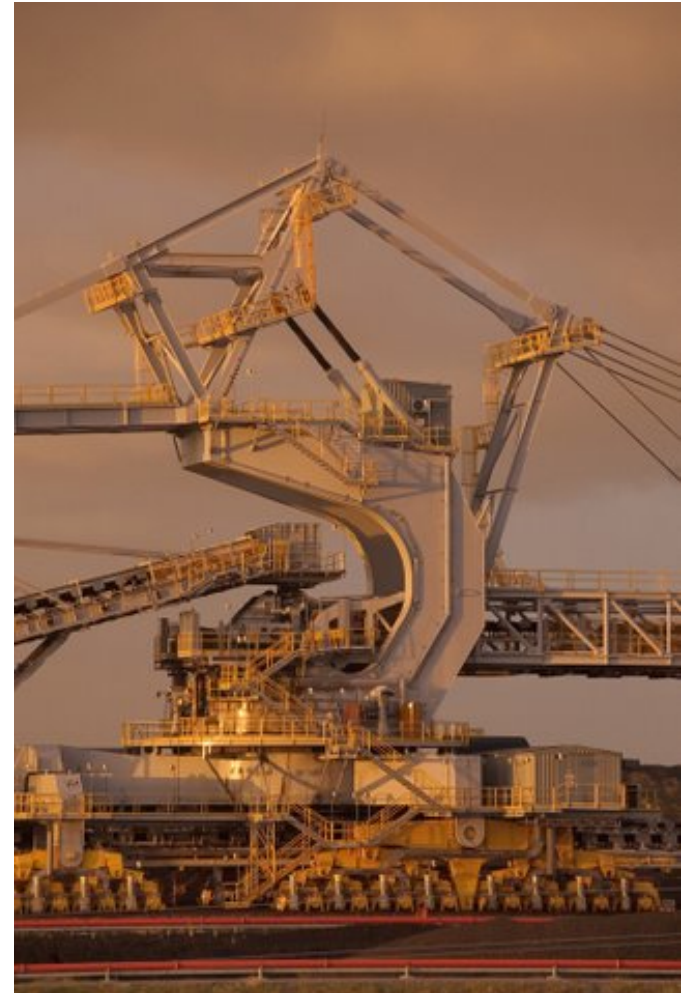


PORT

- Evergreen 10 year Ship or Pay contract with Port Waratah Coal Services (PWCS) for Gloucester Basin coal
- Additional 0.4 million secured on completion of planned PWCS T4 expansion
- Total capacity meets production forecasts for Gloucester Basin export volumes
- Donaldson acquisition (completed 14 July 2011) included 11.6% share of Newcastle Coal Infrastructure Group (NCIG)

RAIL

- Long term rail contracts in place align with production forecasts for Gloucester Basin export volumes
- Australian Rail Track Corporation Hunter Valley Rail Access Undertaking approved by Australian Competition and Consumer Commission providing ability to secure long term contracts to track access



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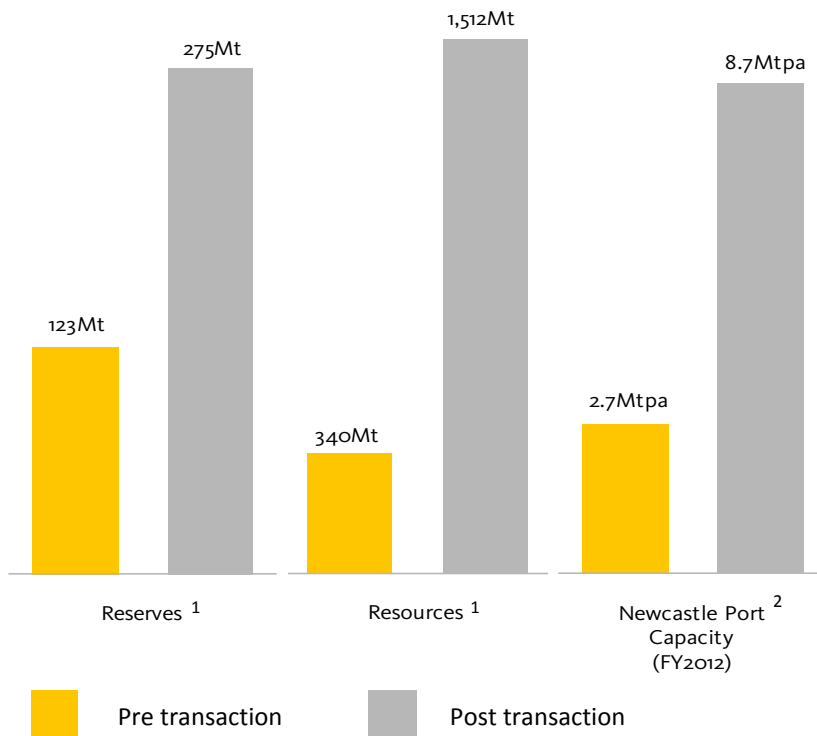
DONALDSON AND MONASH ACQUISITIONS



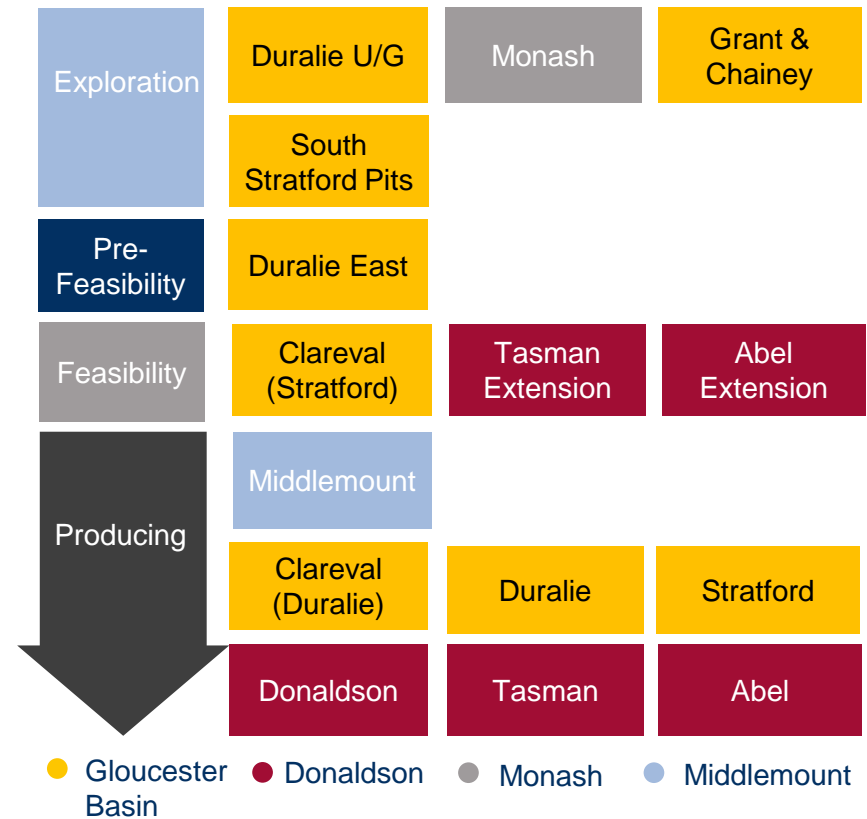
DONALDSON AND MONASH ACQUISITIONS POSITION GLOUCESTER FOR NSW GROWTH



Uplift in Reserves, Resources and Port Capacity



Projects across all stages of development



Notes:

- Reserves and resources figures include near 50% interest in Middlemount as per Investor Presentation released 16 May 2011.
- Based on current capacity at PWCS (and NCIG) and expected capacity allocations from Donaldson's NCIG shareholding. Statements regarding future capacity allocation are estimates only and are contracted subject to the risks outlined in the Key Risks section of the Investor Presentation released on 16 May 2011. Forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gloucester.

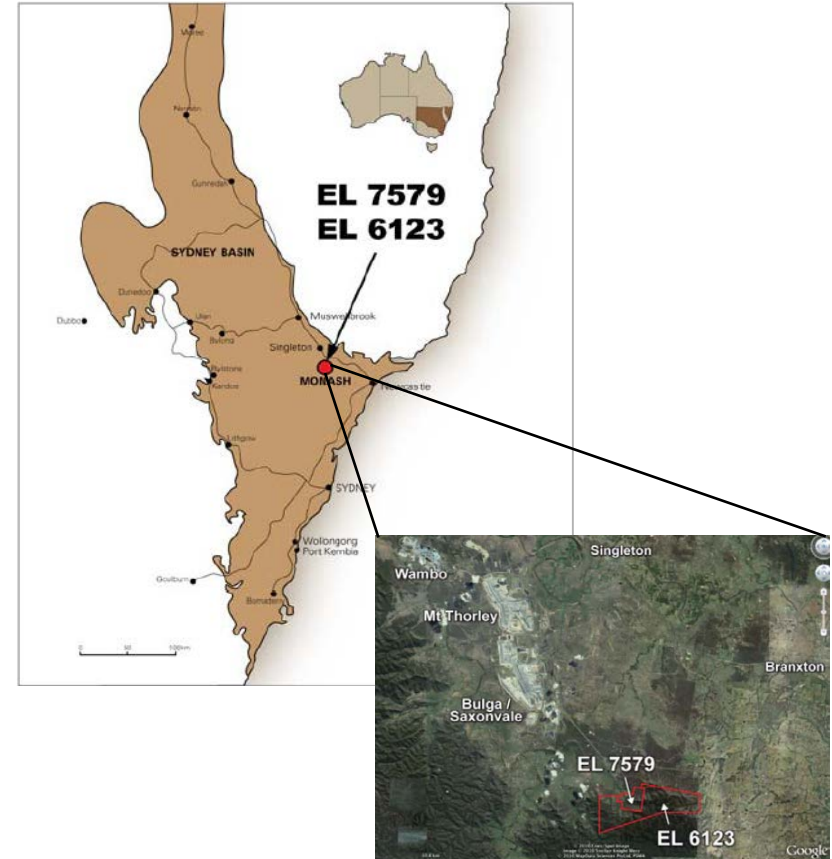


Asset Description

Exploration Titles	<ul style="list-style-type: none"> EL 6123 and EL 7579 covering area of 22.19 square kilometres in Hunter Valley region, NSW
Location	<ul style="list-style-type: none"> 12 km from rail line Coal expected to be shipped from Port of Newcastle, 95km away Situated in region serviced by Hunter Valley rail network
Mining Method	<ul style="list-style-type: none"> Underground Longwall
Targeted Average Production	<ul style="list-style-type: none"> ROM potential up to 9 mtpa over life of mine¹
Illustrative Production Split	<ul style="list-style-type: none"> 58% semi-soft 42% thermal coal

- Prospective export semi-soft / thermal early stage exploration project strategically located near existing infrastructure in the Hunter Valley
- Drilling commenced August 2011

Location



Notes:

1. Projected production figures, operating costs and mine life figures are estimates only and are subject to the risks outlined in the Key Risks section of the Gloucester Investor Presentation dated 16 May 2011, including but not limited to the risks relating to port allocation and capacity, exploration and development, mining approvals, rail access, operational risks and resource and reserve estimates. Forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gloucester.

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OUTLOOK





OPERATING DOMAIN

Gloucester Basin	<ul style="list-style-type: none">• Continued execution of Gloucester Basin review and action plan• Progress approvals for Stratford extension project, targeting first coal in CY 2013• Production ramp up at Duralie of up to 3 mtpa (ROM) by 2014• CHPP upgrade to deliver 3.4 mtpa product• Strategic and reserve drilling in Gloucester Basin
Donaldson	<ul style="list-style-type: none">• Completion of Donaldson operations review and implementation of action plan• Progress study work and approvals for Tasman and Abel production increases, with focus to maximise metallurgical coal output• Strategic and reserve drilling in Donaldson area
Middlemount	<ul style="list-style-type: none">• Rail Spur completion• Progress to full scale operations
Monash	<ul style="list-style-type: none">• Continued drilling at Monash



FY12 OUTLOOK COMMENTS:

- Demand for coking coal in 1st Quarter 2012 Financial Year expected to be subdued
- FOB cash costs expected to be on average around \$100 per tonne for both the Gloucester Basin and Donaldson operations, subject to external impacts including wet weather
- Updated Reserves and Resource Statement expected in first half of 2012 Financial Year

MEDIUM TO LONG TERM OBJECTIVES:

- Complete review and action plan for Gloucester basin and Donaldson operations
- Progress Stratford Extension project and Donaldson expansion projects
- Progress Monash to Reserve status

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QUESTIONS

