

MARKET RELEASE

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**GLOUCESTER
COAL**

International roadshow presentation

The attached document will be presented to investors as part of Gloucester Coal's international roadshow commencing today.

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OVERVIEW OF GLOUCESTER COAL LIMITED

June 2011

DISCLAIMER



Summary of information

This document contains summary information about Gloucester and its subsidiaries and their activities as at 15 June 2011. The information in this document does not purport to summarise all information that an investor should consider when making an investment decision. 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.

Not financial product advice

The information contained in this document is not financial product or investment advice nor a recommendation to acquire Gloucester shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Gloucester is not licensed to provide financial product advice in respect of Gloucester shares or any other financial products. Cooling off rights do not apply to the acquisition of Gloucester shares.

Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year ended 30 June unless otherwise stated.

Effect of rounding

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.

Risks of investment

An investment in Gloucester shares is subject to investment and other known and unknown risks, some of which are beyond the control of Gloucester, including possible loss of income and principal invested. Gloucester does not guarantee any particular rate of return or the performance of Gloucester, nor does it guarantee the repayment of capital from Gloucester or any particular tax treatment. In considering an investment in Gloucester shares, investors should have regard to (amongst other things) the risks and disclaimers outlined in the Investor Presentation which Gloucester released to the ASX on 16 May 2011.

Forward-looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. 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 involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Gloucester.

SNAPSHOT

A LEADING AUSTRALIAN COAL COMPANY



✓ Scale

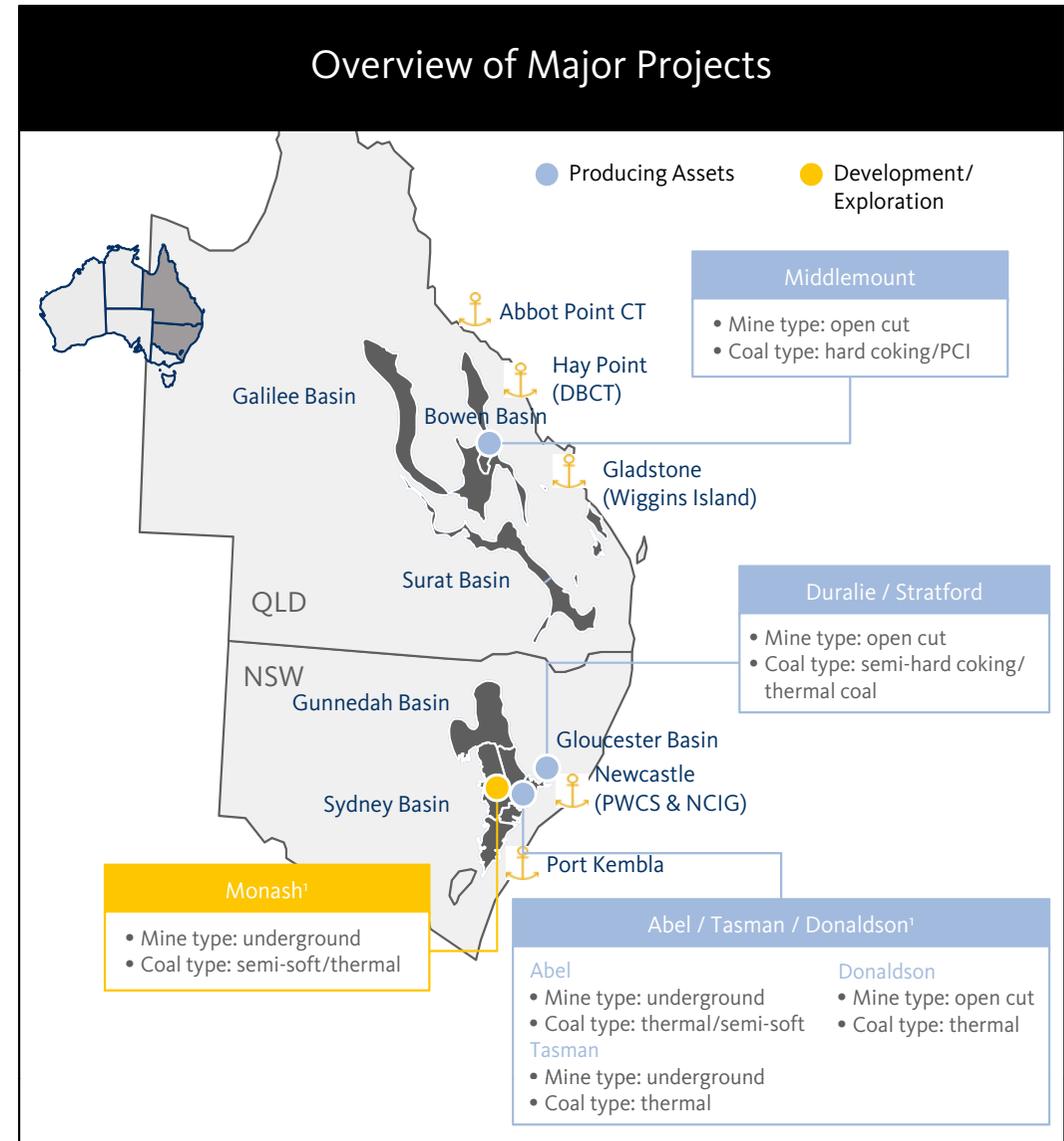
- Large resource base, multi-product and multi-mine producer of scale
- Four clearly defined domains of production and development
- \$1.6bn+ market cap¹

✓ Growth

- Pipeline of projects and infrastructure to support long-term growth

✓ Diversified product mix of metallurgical and thermal coal

- Diversified price risk
- Opportunity to shift volume between metallurgical and thermal coal in response to market conditions



Notes:

1. Assumes Donaldson and Monash transactions described on pages 3 and 4 complete. Share price as at close of trading on 15 June 2011.

TRANSFORMATIONAL CHANGE UNDERWAY

PROPOSED ACQUISITION OF DONALDSON AND MONASH

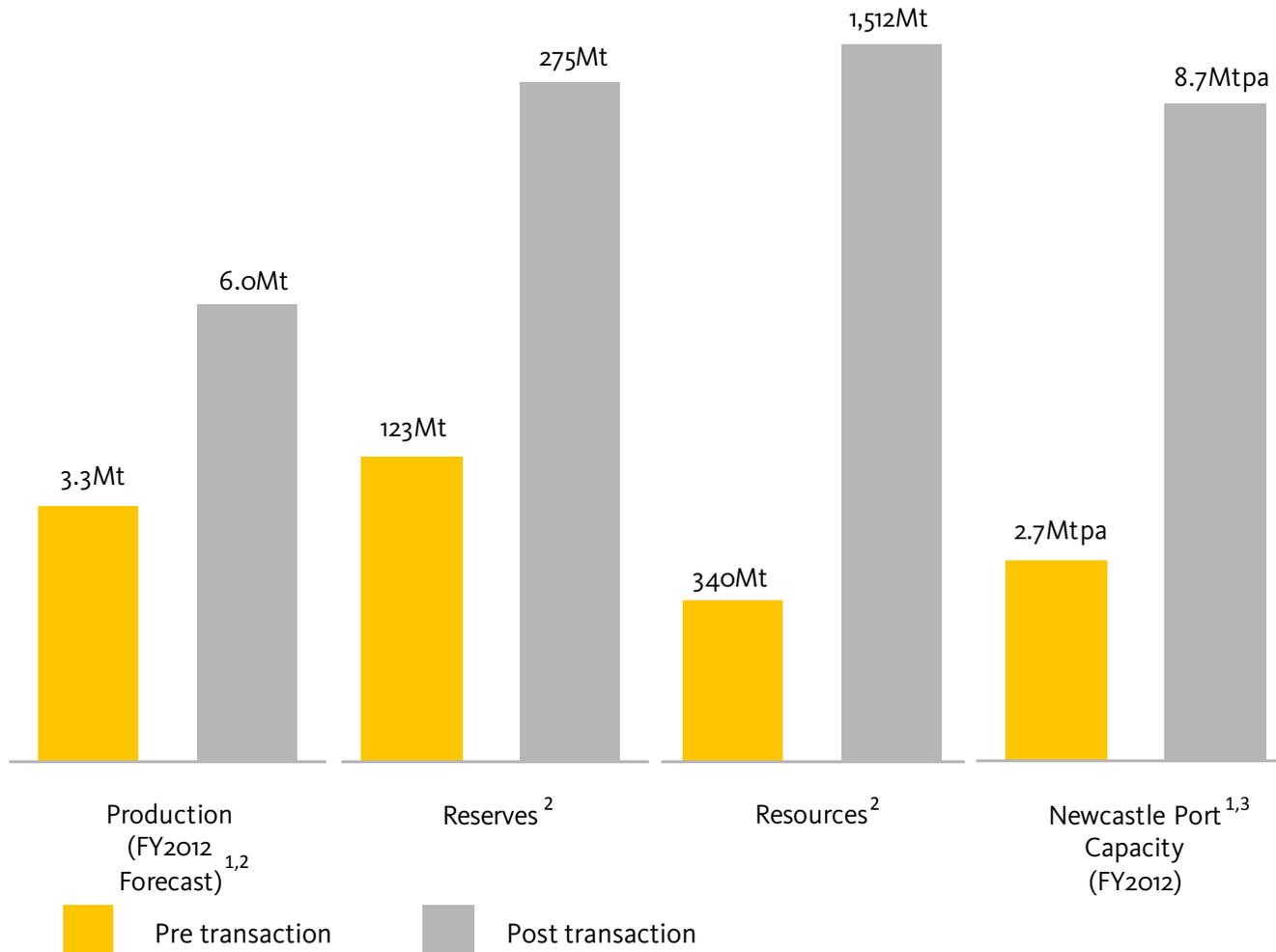


- Gloucester has agreed to acquire
 - Donaldson Coal for an enterprise value of \$585 million¹; and
 - Monash Group for a Base Purchase Price of \$30 million plus contingent payments
- Agreement reached after due diligence and negotiation period led by Gloucester Independent Board Committee
- Independent Expert, Deloitte Corporate Finance Pty Limited, has concluded that the transaction is fair and reasonable
- Both acquisitions subject to Gloucester Shareholders' approval at a meeting to be held on 8 July 2011

Notes:

1. Subject to completion adjustments.

DONALDSON AND MONASH ACQUISITIONS POSITION GLOUCESTER FOR NSW GROWTH



- ✓ Expansion of existing production base
- ✓ Creates opportunities to blend existing Gloucester product with Donaldson product
- ✓ Significant expansion in port capacity through 11.6% shareholding in NCIG
- ✓ Major new Hunter Valley coking and thermal coal development opportunity

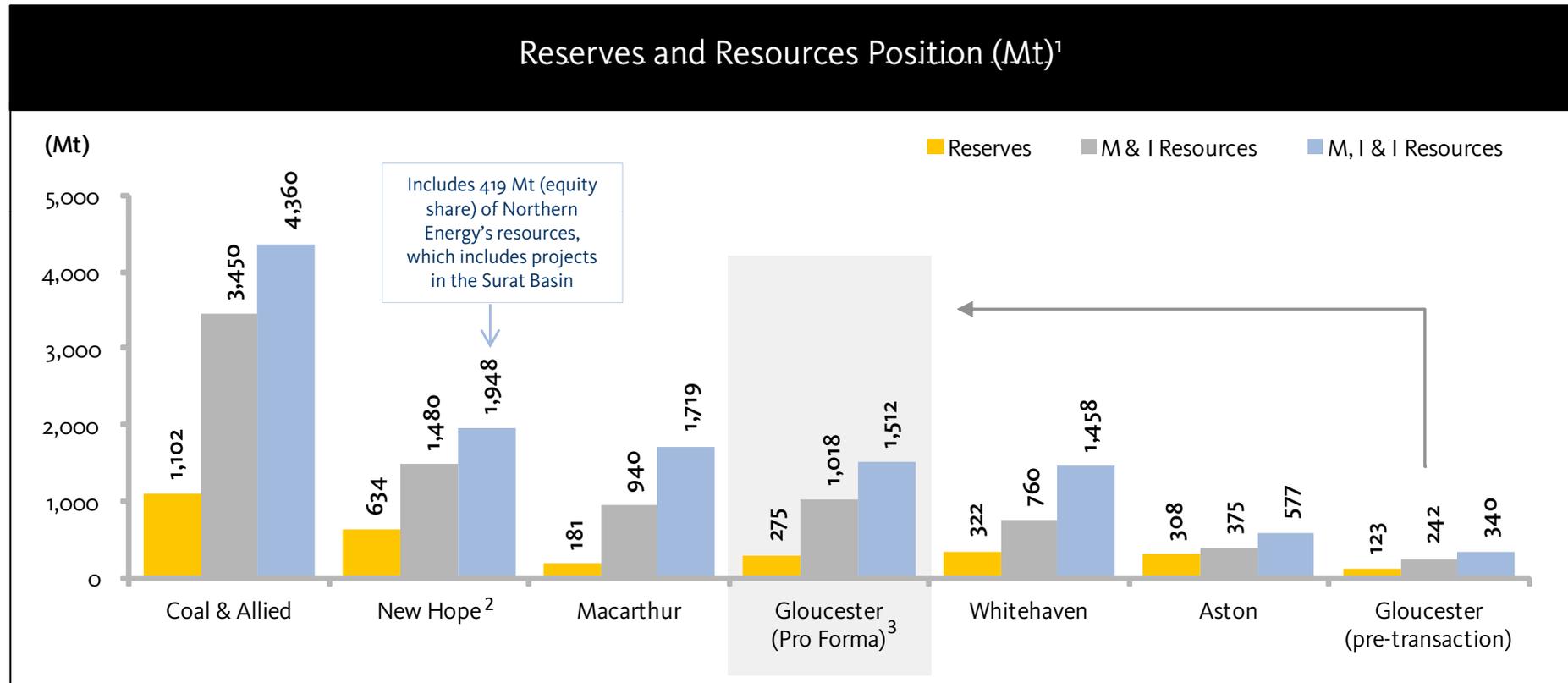
Notes:

1. Projected production figures and port capacity figures are estimates only and are subject to the risks 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.
2. Production, reserves and resources figures include near 50% interest in Middlemount.
3. 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.

SUBSTANTIAL RESERVES AND RESOURCES POSITION RELATIVE TO PEERS



- ✓ Gloucester will have one of the largest reserves and resources base in the Australian coal sector



Source: Comparative reserve and resource figures sourced from public company filings

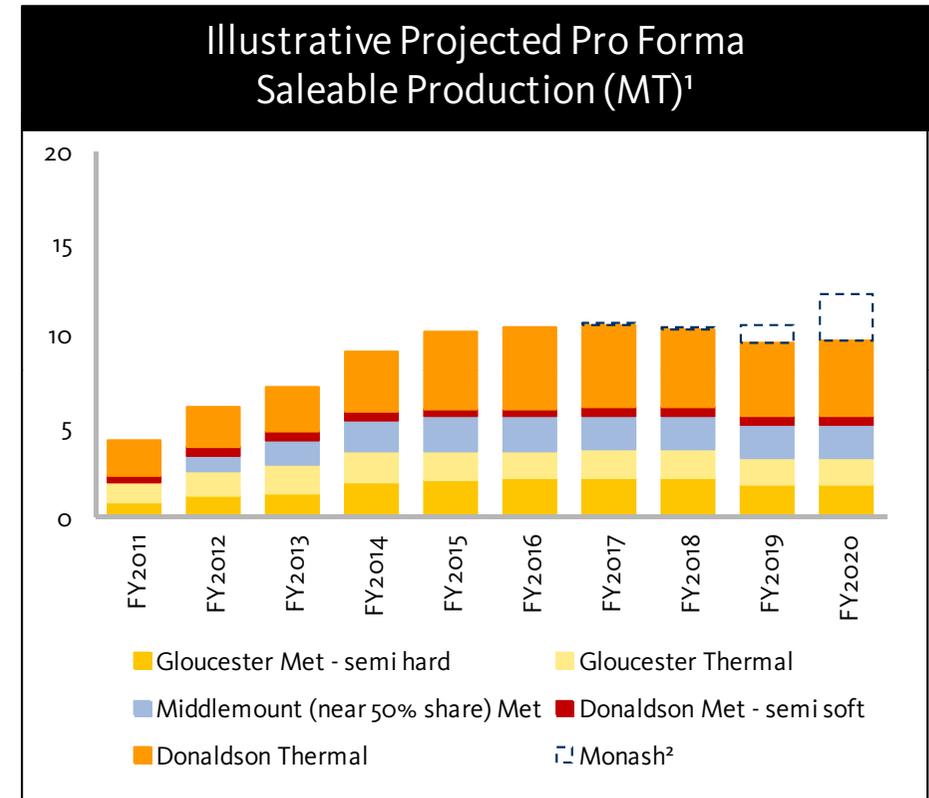
Note:

1. Reserves and Resources are presented on an equity basis. Reserves refers to Proven and Probable Reserves. M & I is Measured and Indicated Resources. M & I & I is Measured Indicated and Inferred Resources. Based on ASX reported company information as at 13 June 2011.
2. Includes 80.8% equity share of Northern Energy's reserves and resources.
3. As detailed in the JORC Coal Reserves and Resources set out in the Investor Presentation released by Gloucester to ASX on 16 May 2011 as amended and in respect of New Hope, as updated by them to the ASX on 26 May 2011.

SIGNIFICANT EXISTING PRODUCTION BASE AND GROWTH PIPELINE IN BOTH METALLURGICAL AND THERMAL COAL



- ✓ Substantial existing producer – c.4mtpa in FY11 and c.6mtpa in FY12¹
- ✓ Plan to grow to 10+mtpa within four years
- ✓ Mix of metallurgical and thermal production
- ✓ Capability to produce 40 – 50% metallurgical coal post ramp up of Middlemount including up to 1Mtpa of semi-soft coking coal from the Donaldson Abel mine
- ✓ Monash to provide significant additional growth – up to to 7mtpa of majority semi-soft production²



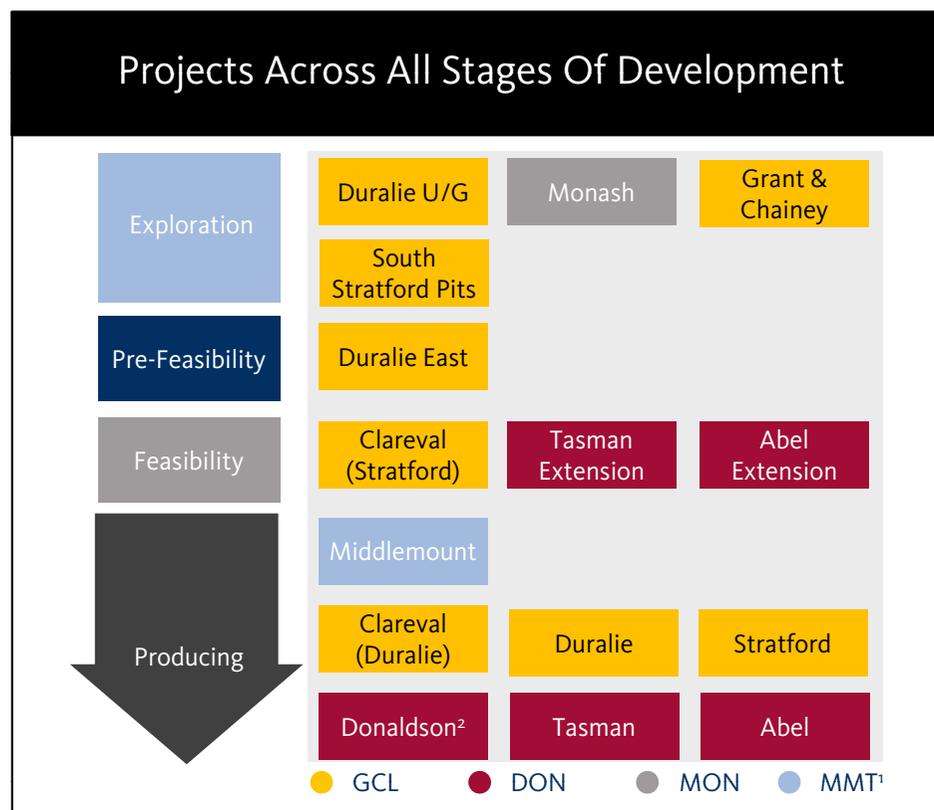
Notes: Based on June Year end production.

1. Projected production figures and mine life figures are estimates only and are subject to the risks outlined in the Key Risks section of the 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.
2. Monash figures set out in this graph are based on concept level mine studies. The concept level mine study figures reflect only the assumptions used in the concept level mine studies. The concept level mine study figures are not an indication of any future Reserves or Resources that may be discovered in respect of the Monash Coal Assets. 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.

WELL POSITIONED TO DELIVER FURTHER GROWTH



- ✓ Diversified and multi-mine operator with assets across all stages of the development curve
- ✓ Solid production base with significant growth pipelines
- ✓ Experienced management to bring development projects to production including extensive track record in approval processes



Notes:

1. Refers to Middlemount.

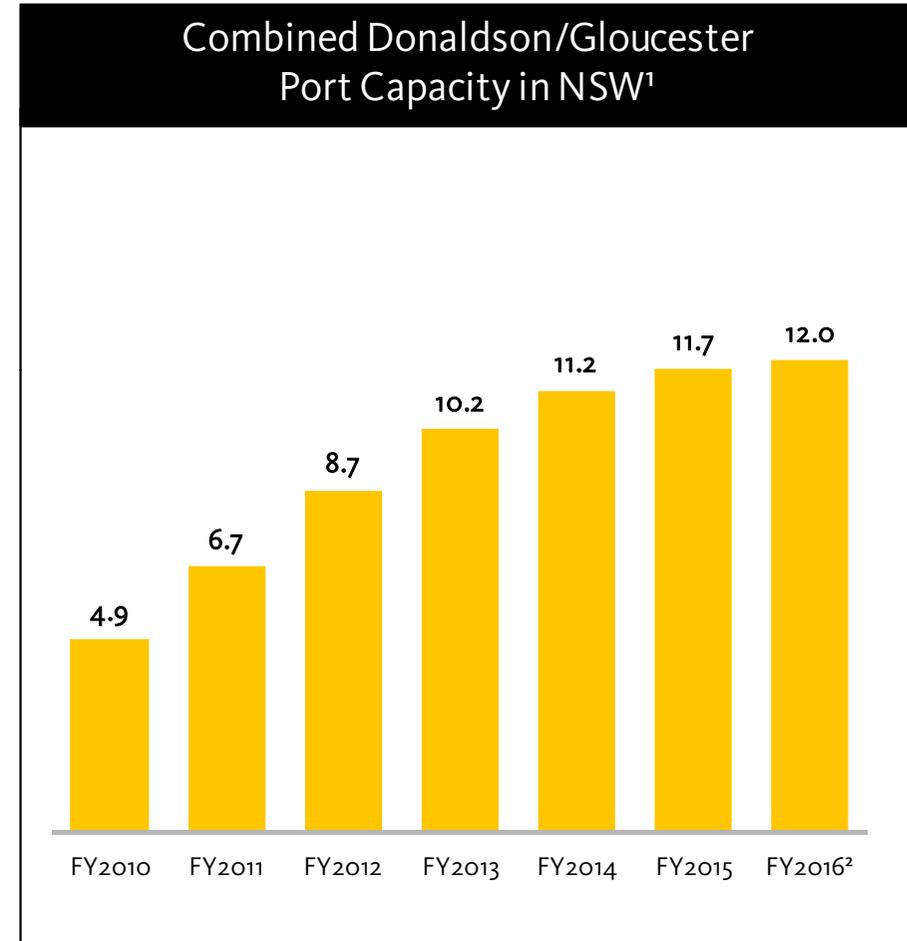
2. Donaldson mine is not currently producing as overburden is being stripped on a new development area.

INFRASTRUCTURE HOLDINGS TO DELIVER THIS GROWTH



Donaldson delivers Newcastle port capacity to facilitate growth

NSW Infrastructure Holdings	
Port	
1	PWCS <ul style="list-style-type: none"> Gloucester 10 year rolling capacity entitlement² Donaldson 10 year rolling capacity entitlement
2	11.6% shareholding in NCIG - Donaldson <ul style="list-style-type: none"> Share of capacity expected to increase from 2.4Mtpa in FY2011 to 6.3Mtpa in FY2015
Rail	
1	Rail haulage contracts to port ³



Notes:

- 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 Gloucester ASX presentation dated 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.
- Includes allocation from PWCS T₄ development from CY2015.
- Total rail contracts in place for Gloucester and Donaldson for up to c.7Mtpa to meet near term growth plans.

WELL CAPITALISED TO FUND GROWTH PROGRAMS



- ✓ \$230m equity raising completed
- ✓ Donaldson and Monash acquisitions primarily funded by equity
- ✓ Finalising new debt facilities (c.\$400-\$500m) to fund growth programs (transaction subject to Gloucester securing these new facilities on satisfactory terms)
- ✓ Gloucester's existing businesses remain strong

OVERVIEW OF CAPITAL EXPENDITURE PROGRAM



This capital expenditure program is expected to be funded through debt facilities being finalised and operating cash flows

Project	Overview of Capital Program ¹
Middlemount Project	<ul style="list-style-type: none"> c.\$120m primarily relating to Gloucester's remaining contribution for the Middlemount Coal Project
Abel underground and extension, including longwall installation	<ul style="list-style-type: none"> c.\$192m over the next 5 years² Increase Abel saleable production up to c.4 Mtpa Expected to significantly reduce mining costs
Tasman Underground Development	<ul style="list-style-type: none"> c.\$128m over the next 8 years²
Bloomfield CHPP expansion	<ul style="list-style-type: none"> c.\$81m expansion to add an additional 4Mtpa of washing capacity to meet forecast production growth
Monash	<ul style="list-style-type: none"> c.\$20m drilling program over the next two years c.\$15m approvals and environmental assessment

Notes: Based on June Year end production.

1. Projected capital expenditure figures are estimates only and are subject to the risks including but not limited to the risks relating to inflation, interest rates, availability of finance and coal sales and prices. 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.
2. Includes current year (CY11) expenditure.

OVERVIEW OF GLOUCESTER COAL

June 2011

Appendices



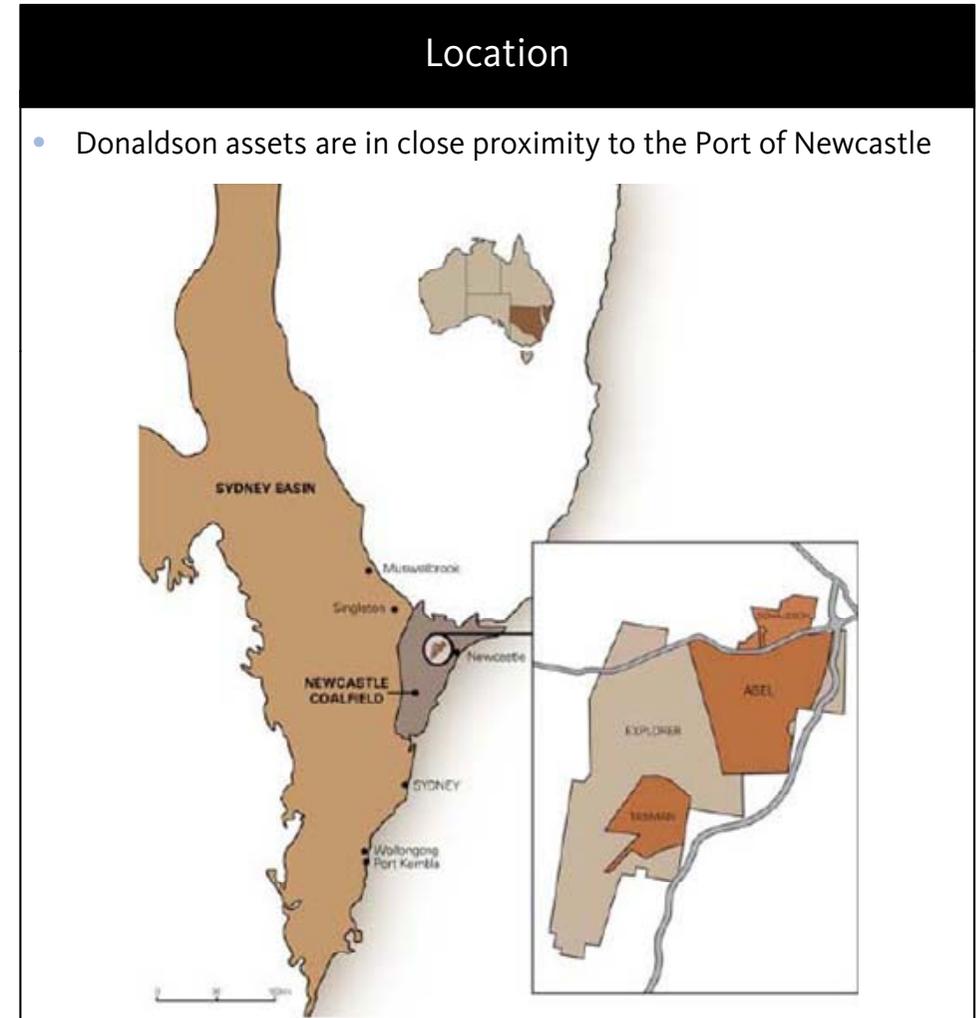
DONALDSON

OVERVIEW



Existing producer with large resource base located near rail and port infrastructure. Donaldson has port capacity to deliver its growth plans as well as provide Gloucester with the ability to deliver growth projects

Asset Description	
Projects	<ul style="list-style-type: none"> • Donaldson open cut mine • Abel underground mine • Tasman underground mine • Abel Extension and Tasman Extension exploration area
JORC Reserves /Resources	<ul style="list-style-type: none"> • Reserves: 152.4Mt¹/Resources: 885Mt¹ • Estimated 20+ years mine life based on current JORC reserves²
Location	<ul style="list-style-type: none"> • 25km by rail from the Port of Newcastle
Infrastructure	<ul style="list-style-type: none"> • 10 year rolling contracts for PWCS • 11.6% founding shareholding in NCIG <ul style="list-style-type: none"> - c.6.3Mtpa allocation expected by 2014 • Train haulage agreement
Production (saleable)	<ul style="list-style-type: none"> • 2.0Mt in CY10 (actual), with plans to increase to 4.5–5.0Mt in CY16 (target)² • Mix of thermal and semi-soft coking coal
Customers	<ul style="list-style-type: none"> • End users of Donaldson product include Chubu Electric, EDF, JFE, Nippon Steel, Posco and Taiwan Power Corporation



Notes:

1. As at 1 July 2009.
2. Refers to Abel and Tasman only. Donaldson mine is forecast to close in CY12. Projected production figures 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.



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

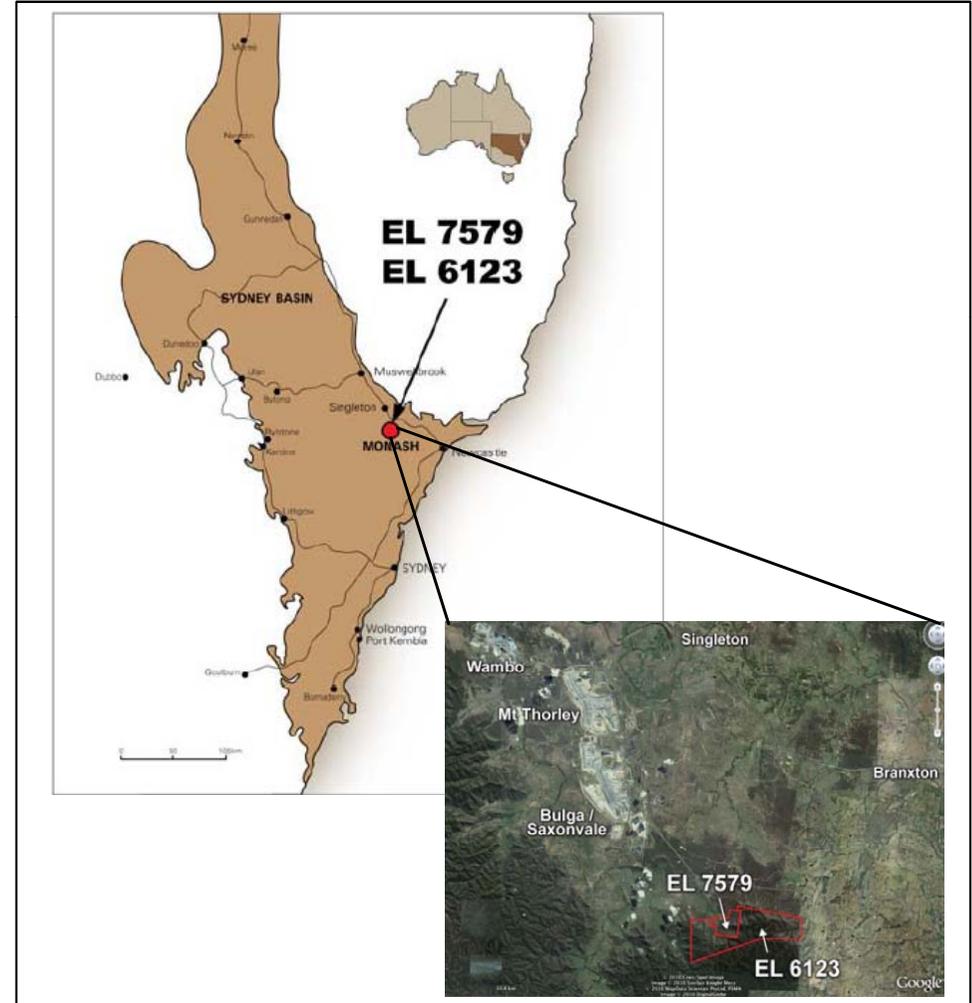
Asset Description

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
Resources	<ul style="list-style-type: none"> JORC Resource of 287Mt (13Mt Indicated and 274Mt Inferred) Further potential exploration upside exists
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 and Production Profile

Mining Method	<ul style="list-style-type: none"> Underground
Expected Timing	<ul style="list-style-type: none"> Subject to exploration success and approvals, targeted project commissioning and first coal production in FY2017 ramping up to full production of up to 9 Mtpa ROM in FY2022¹ Resource has potential to support mine life of 20+ years¹
Targeted Average Production	<ul style="list-style-type: none"> ROM potential : up to 9 Mtpa over life of mine¹ Saleable potential : up to 7 Mtpa over life of mine¹
Illustrative Production Split	<ul style="list-style-type: none"> 58 % semi-soft 42% thermal coal
Illustrative Capital Development Profile	<ul style="list-style-type: none"> Underground longwall operation
Illustrative FOR Operating Cost	<ul style="list-style-type: none"> Approx. c.A\$40 / t¹

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.