



ASX Announcement

Impact on H1 FY2011 Profit of Change in Interests in Middlemount Project

14 February 2011

On 24 December 2010 **Macarthur Coal Limited** (ASX:MCC) announced that it had completed a transaction with Gloucester Coal Ltd (ASX:GCL) involving the exercise of Gloucester Coal's call option for an additional 20% interest in Middlemount Coal Pty Ltd and the early transfer of shares that were previously transferable on achievement of a certain project milestone.

Macarthur Coal will receive A\$97.6 million total consideration from Gloucester Coal, a discount to the nominal A\$108 million exercise price, recognising that the transfer had occurred prior to the specified project milestone and the option had been exercised within the option period but approximately two years earlier than expiry of the option period.

Operating profit guidance of A\$97 million to A\$102 million for the six months to December 2010 provided by Macarthur Coal on 16 December 2010 remains unchanged. Macarthur Coal has determined that the impact of the Middlemount transaction in December 2010, and the reversal of derivative liabilities associated with the exercise of the option, is that Macarthur Coal's likely net profit after tax for the six months to December 2010 will be in the range of A\$138 million to A\$143 million.

Macarthur Coal expects to release the December 2010 half results on 23 February 2011.

- Ends -

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About Macarthur Coal

Macarthur Coal (ASX: MCC) is a Queensland success story. Listed in 2001, it is now the world's largest producer of seaborne low volatile pulverised coal injection (LV PCI) coal. The Company's focus is on high margin or low cost coal assets with a strong market demand and product diversification capability.

The Company's goal is to double 2009 production to achieve sales of 9.2mtpa by 2014. To achieve this, Macarthur Coal will focus on two strategic objectives – operational excellence and sustainable growth.

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