

LEGAL DELAY TO ACQUISITION OF INTEREST IN MDL 162

1 April 2011

Macarthur Coal Limited (ASX: MCC) ("Macarthur") announced on 24 August 2010 that it had entered into an arrangement with MCG Resources Pty Ltd and Fortrus Resources Pty Ltd (the "MCG Companies") for Macarthur to provide funding of A\$360 million to MCG Coal Holdings Pty Ltd ("MCGH"), a company wholly-owned by the MCG Companies, for MCGH to complete the purchase of MDL162 and related assets from Stanwell Corporation Limited (the "Assets").

On 1 September 2010, Macarthur announced that it had provided a loan to MCGH to complete the purchase of the Assets. MCGH completed the purchase of the Assets through its wholly owned subsidiary, MCG Coal Pty Ltd, using the proceeds of the Macarthur loan. Subject to receipt of FIRB approval, the majority of the loan was convertible into 90% of the shares in MCGH (the "Conversion").

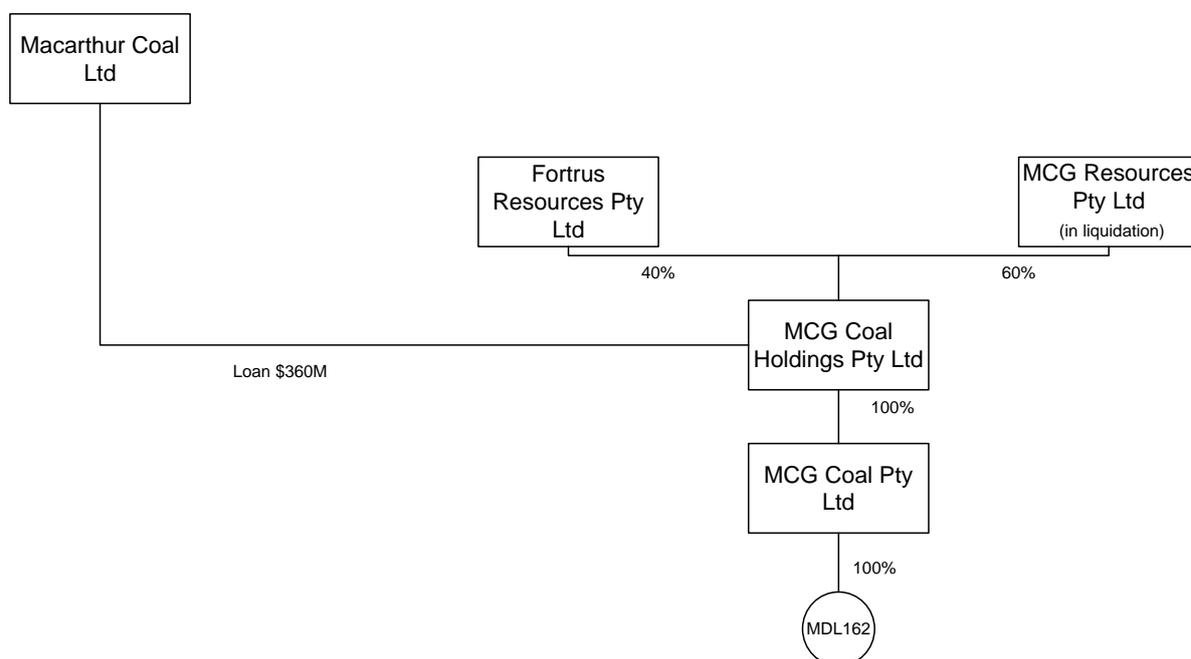
Following the receipt of FIRB approval and further consideration by the parties of the appropriate structure of the joint venture, Macarthur commenced the process to convert the loan into 90% of the shares in MCGH.

Appointment of a liquidator to MCG Resources Pty Ltd, and an application by Fortrus Resources Pty Ltd to wind up MCGH filed on 31 March 2011 in the Supreme Court of Queensland, is now delaying Macarthur from effecting the Conversion.

Macarthur intends to vigorously oppose the winding up application with respect to MCGH and to proceed to effect the Conversion.

Following Conversion Macarthur will indirectly hold a 90% interest in MDL162 and maintains its intention to develop the project.

Current Structure



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About Macarthur Coal

Macarthur Coal (ASX: MCC) is the world's largest producer of seaborne low volatile pulverized coal injection coal (LV PCI) used for steel making. As a supplier to the world's leading steel producers, Macarthur exports its entire product around the globe. The company currently holds 73.3% of the Coppabella and Moorvale mines, located in Queensland's Bowen Basin.

The company is focused on organic growth through developing new mines from grass roots level and identifying and pursuing high growth market segments.