

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Gloucester Coal Ltd

ABN

66 008 881 712

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Unlisted options to acquire shares by way of issue |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,458,483 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

3 Principal terms of the ⁺ securities (eg, if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion)	<p>486,161 options vesting on 1 December 2013 and expiring on 1 December 2018</p> <p>486,161 options vesting on 1 December 2014 and expiring on 1 December 2018</p> <p>486,161 options vesting on 1 December 2015 and expiring on 1 December 2018</p> <p>Exercise price: \$7.30 per option</p> <p>The options will be issued under and in accordance with the Company's long term incentive plan which was approved by Shareholders at the Company's 2009 AGM. In accordance with the terms of the long term incentive plan, the Board has 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). In summary, upon a change of control, the options held by a participant will vest.</p>
--	--

⁺ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No</p> <p>The ordinary shares issued on exercise of the options will rank equally in all respects with ordinary fully paid shares on issue.</p>				
<p>5 Issue price or consideration</p>	<p>The options have been issued under the Company's long term incentive plan without charge.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of options as part of the Company's long term incentive plan.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>1 December 2011</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table> <tr> <th data-bbox="766 1601 1069 1646">Number</th><th data-bbox="1069 1601 1361 1646">⁺Class</th></tr> <tr> <td data-bbox="766 1646 1069 1870">202,905,967</td><td data-bbox="1069 1646 1361 1870">Fully paid ordinary shares</td></tr> </table>	Number	⁺ Class	202,905,967	Fully paid ordinary shares
Number	⁺ Class				
202,905,967	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>3,705,913 unlisted options to acquire by way of issue Ordinary Shares</p>	<p>123,714 vest 1 September 2013</p> <p>61,858 vest 1 September 2014</p> <p>61,858 vest 1 September 2015</p> <p>Exercise price per option: \$11.09. On 30 November 2011 the Board resolved that the exercise price would reduce with effect from 8 December 2011 to \$10.95 per option in accordance with the terms of the options, which applies the formula in ASX listing rule 6.22.2, to reflect the effect of the issue of shares in the company on 27 May 2011 and 16 June 2011 following its pro rata entitlement offer announced to ASX 16 May 2011</p> <p>1,000,000 vest 23 February 2014</p> <p>1,000,000 vest 23 February 2016</p> <p>Exercise price \$12.03. On 30 November 2011 the Board resolved that the exercise price would reduce with effect from 8 December 2011 to \$11.89 per option in accordance</p>

+ See chapter 19 for defined terms.

	<p>with the terms of the options, which applies the formula in ASX listing rule 6.22.2, to reflect the effect of the issue of shares in the company on 27 May 2011 and 16 June 2011 following its pro rata entitlement offer announced to ASX 16 May 2011</p> <p>486,161 vest on 1 December 2013</p> <p>486,161 vest on 1 December 2014</p> <p>486,161 vest on 1 December 2015</p> <p>Exercise price \$7.30</p>
1,000 Converting shares	<p>1,000 Converting Shares will convert to ordinary shares subject to achievement of Stages One, Two and Three.</p> <p>For further information on the number of Gloucester Coal ordinary shares that may be issued upon conversion of the Converting Shares please refer to section 13.7 of the Company's notice of meeting dated 7 June 2011.</p>

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The ordinary shares issued on exercise of the options will rank equally with the existing fully paid Ordinary Shares in regards to future dividends.
----	--	--

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable.
12	Is the issue renounceable or non-renounceable?	Not applicable.
13	Ratio in which the ⁺ securities will be offered	Not applicable.
14	⁺ Class of ⁺ securities to which the offer relates	Not applicable.
15	⁺ Record date to determine entitlements	Not applicable.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.
17	Policy for deciding entitlements in relation to fractions	Not applicable.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable.
19	Closing date for receipt of acceptances or renunciations	Not applicable.
20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.

⁺ See chapter 19 for defined terms.

22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable.
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.

⁺ See chapter 19 for defined terms.

33 ⁺Despatch date

Not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which
⁺quotation is sought

39 Class of ⁺securities for which
quotation is sought

⁺ See chapter 19 for defined terms.

40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<div style="border: 1px solid black; height: 250px; width: 100%;"></div>				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<div style="border: 1px solid black; height: 120px; width: 100%;"></div>				
42	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Date:
(Director/Company secretary)

Print name:

== == == == ==

+ See chapter 19 for defined terms.