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Monash Resources Update

Gloucester Coal Ltd has today announced a substantial upgrade to its Monash Coal Resources.

- Total JORC coal resources for Monash have increased to 577mt from the previously announced 287mt.
- Measured and indicated resources have increased from 13mt (indicated) to 100mt (measured and indicated) from the resources previously announced.

Gloucester Coal Managing Director and CEO Brendan McPherson said, "These are very pleasing results that provide a solid platform to grow the Company well beyond 10 million tonnes of annual production in the next 10 years".

"The substantial increase in resources demonstrates the value of Monash in the overall asset profile of the Company", Mr McPherson added.

"Gloucester Coal will maintain its focus on exploration at Monash to move from Resource to Reserve status", Mr McPherson said.

The following table summarises the Monash Coal Resources as at November 2011.

JORC Resources – Monash Project Area (Mt)				
	Measured	Indicated	Measured & Indicated	Inferred
Fassifern	-	2.83	2.83	13.07
Borehole	3.08	6.94	10.03	50.50
Redbank Creek	2.54	5.72	8.25	30.64
Wambo	2.44	5.61	8.05	42.59
Whynot	5.08	11.68	16.76	78.55
Blakefield	2.30	5.48	7.78	40.96
Woodlands Hill	5.58	12.26	17.84	81.89
Arrowfield	5.15	11.61	16.76	81.61
Bowfield	3.52	8.10	11.62	57.46
All Seams	29.69	70.23	99.92	477.27

The estimates of coal resources have been carried out in accordance with the "2004 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)" prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

The information in this announcement that relates to EL 6123 and EL7579 (Monash Project Area), is based on information compiled by Ian D. Blayden, employed by Geological and Management Services Pty Ltd ABN 47 001 256 248. Ian Blayden is a Member of the Mineral Industry Consultants Association, The Australian Institute of Geoscientists and AusIMM.

Dr. Blayden has sufficient experience which is relevant to the style and mineralisation, and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code of Reporting of Mineral Resources and Ore Reserves.

Dr. Blayden consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

For Further Information

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