



## MACARTHUR COAL (ASX: MCC) RECEIVES REVISED PROPOSAL FROM PEABODY ENERGY CORPORATION

### MACARTHUR BOARD ADVISES SHAREHOLDERS TO TAKE NO ACTION

6 April 2010

The Board of Macarthur Coal Limited ("Macarthur") confirms that it has today received a revised indicative, non-binding and conditional proposal from Peabody Energy Corporation ("Peabody") under which Peabody is offering to acquire all the shares in Macarthur for cash consideration of A\$14 per share, by way of a scheme of arrangement ("Revised Indicative Proposal").

The Revised Indicative Proposal is non-binding and remains conditional on a number of items including, but not limited to:

- Macarthur's takeover bid for Gloucester Coal Ltd ("Gloucester") not proceeding;
- satisfactory completion of a limited due diligence review; and
- the support of the Macarthur Board of Directors for a scheme of arrangement which incorporates "typical deal protection and exclusivity arrangements" and "conditions precedent to closing for a transaction of this type, including FIRB approval".

Peabody has provided no detail regarding the deal protection arrangements or conditions precedent it considers typical for a transaction of this type.

The Revised Indicative Proposal also requires:

- final approval from the Peabody Board of Directors
- confirmation of transaction financing; and
- that Macarthur confirm by no later than 5PM AEST Wednesday 7 April 2010 a decision to defer the Macarthur shareholders meeting currently scheduled for 12 April 2010, to approve the issue of shares to Noble Group Limited ("Noble") under the Gloucester offer and associated transactions.

Peabody has advised that its discussions with Macarthur's three major shareholders, regarding a proposal to allow these shareholders the opportunity to remain as long term strategic investors in a privatised Macarthur, are continuing. Macarthur notes that the Revised Indicative Proposal does not require the support of these shareholders, a pre-condition to the previous proposal received on 30 March 2010.

The Board of Macarthur will meet shortly to consider the merits of Peabody's Revised Indicative Proposal. Shareholders are advised to **Take No Action** in relation to the Revised Indicative Proposal or any documentation received from Peabody until they receive the Directors' formal recommendation.

**Shareholders are advised that in the absence of advice to the contrary from Macarthur, they should anticipate that the shareholders meeting scheduled for 11.00 am on Monday 12 April 2010 is proceeding. Proxies must be submitted in accordance with the instructions on the proxy form no later than 11.00 am this Saturday 10 April 2010. Macarthur's Board has recommended that shareholders vote in favour of the resolution at that meeting.**



Macarthur also notes the announcement on the Singapore Stock Exchange of an alternative cash offer by Noble for the remaining shares in Gloucester that Noble does not already own. Macarthur believes that this proposal is conditional on the Macarthur takeover bid for Gloucester not proceeding, among other things. Macarthur also notes Noble's comments that it "remains committed to the Macarthur Transactions". Consequently Macarthur believes that at this time, this proposal has no implications for Macarthur shareholders.

Macarthur is being advised by J.P. Morgan and Corrs Chambers Westgarth.

**For further information, please contact:**

Nicole Hollows  
Managing Director and Chief Executive Officer  
Macarthur Coal Limited  
+61 (0) 7 3221 7210

Mr David Saba  
Investor Relations Officer  
Macarthur Coal Limited  
+61 (0) 7 3221 7210

**For media enquiries, please contact:**

Genevieve Fraser  
Manager – Communications  
Macarthur Coal Limited  
+61 (0) 7 3239 7608  
+61 (0) 409 585 421

Alasdair Jeffrey  
Rowland  
+ 61 404 926 768

**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 operates two mines in Queensland's Bowen Basin and plans to double its production capacity in the next five years through the development of the Middlemount Mine project and an additional mine from its extensive project portfolio.