

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   | Fully paid ordinary share ('Shares')   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 803,418 Shares were issued pursuant to the retail component of the accelerated non-renounceable entitlement offer ( <b>Entitlement Offer</b> ) announced in the Appendix 3B dated 4 August 2010. |
| 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) | Fully paid ordinary shares.  |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes, the new Shares will rank equally in all respects with the existing Shares from their respective dates of allotment, except that they will not be eligible to be accepted into the Noble Offer.</p>
<p>5 Issue price or consideration</p>	<p>\$9.25 per Share</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the issue will be used to help fund the Middlemount Acquisition (as defined in the Offer Documents and described in the ASX Announcement on 4 August 2010) or, if the Middlemount Acquisition does not proceed (due to failure of shareholder approval or for any other reason), then monies raised under the equity raising will be used to:</p> <ul style="list-style-type: none"> <li>• fund new opportunities and strategic initiatives in line with Gloucester's strategy of becoming a major Australian diversified metallurgical coal producer; and</li> <li>• fund capex and working capital.</li> </ul>
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>6 September 2010.</p>

---

<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	129,636,251	Ordinary, fully paid shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,000,000	Unlisted Options over Ordinary Shares. 500,000 vest on 17 June 2012 and the remaining 500,000 vest on 17 June 2014.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There has been no change to Gloucester Coal Ltd's dividend policy.
---	--

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No.
12 Is the issue renounceable or non-renounceable?	Non-renounceable.
13 Ratio in which the +securities will be offered	3 new Shares for every 5 Shares held as at the Record Date.
14 +Class of +securities to which the offer relates	Ordinary, fully paid shares.
15 +Record date to determine entitlements	7.00pm (AEST) on 9 August 2010.
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.

---

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

17 Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of the new shares.
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand and any other jurisdictions into which it decides to make offers.
19 Closing date for receipt of acceptances or renunciations	27 August 2010 for the Retail Entitlement Offer.
20 Names of any underwriters	UBS AG, Australia Branch and RBS Equity Capital Markets (Australia) Limited are underwriters to the Institutional Entitlement Offer.
21 Amount of any underwriting fee or commission	Each underwriter will be paid its respective proportion of: <ol style="list-style-type: none"> <li>1. an underwriting fee of 1.25% of the proceeds from the Institutional Entitlement Offer</li> <li>2. a management fee of 0.5% of the proceeds from the Entitlement Offer</li> <li>3. a discretionary incentive fee based on the entire proceeds of the equity raising</li> </ol>
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.

---

+ See chapter 19 for defined terms.

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 <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	<sup>+</sup> Despatch date	Retail Entitlement Offer – 6 September 2010

### 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

---

<sup>+</sup> See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

(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 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- 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

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

**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.

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

- 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: .....  
(Company secretary)

Date: 06/09/2010

Print name: Neil McKenzie

---

+ See chapter 19 for defined terms.