

# CLAYTON UTZ

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Company Announcements Office  
Australian Securities Exchange

27 August 2010

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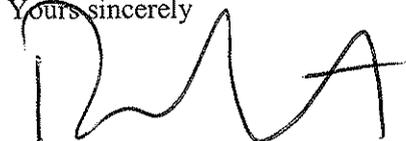
Dear Sir or Madam

## **Osendo Pty Limited takeover offer for Gloucester Coal Ltd**

We refer to the takeover offer by Osendo Pty Limited ACN 136 062 710 (a wholly owned subsidiary of Noble Group Limited) (**Osendo**) for all of the shares in Gloucester Coal Ltd ACN 008 881 712 (**Offer**).

Pursuant to section 647(3)(b) of the Corporations Act 2001 (Cth), we enclose, on behalf of Osendo, a supplementary bidder's statement in relation to the Offer.

Yours sincerely



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# Osendo Pty Limited

ACN 136 062 710

## Takeover offer for shares in Gloucester Coal Ltd

### Third Supplementary Bidder's Statement

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#### 1. Introduction

This document is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) lodged with the Australian Securities and Investments Commission (**ASIC**) on 27 August 2010 and is given by Osendo Pty Limited ACN 136 062 710 (**Bidco**), a wholly-owned subsidiary of Noble Group Limited (**Noble**) to Gloucester Coal Ltd ACN 008 881 712 (**Gloucester**) under section 643 of the Corporations Act 2001 (Cth).

This Third Supplementary Bidder's Statement supplements and is to be read together with the original bidder's statement dated 1 June 2010 (**Original Bidder's Statement**), a copy of which was given to the Australian Securities Exchange (**ASX**) on 1 June 2010, the first supplementary bidder's statement dated 28 June 2010 (**First Supplementary Bidder's Statement**), a copy of which was given to the ASX on 28 June 2010 and the second supplementary bidder's statement dated 28 July 2010 (**Second Supplementary Bidder's Statement**), a copy of which was given to the ASX on 28 July 2010.

Unless the context requires otherwise, capitalised terms in this Third Supplementary Bidder's Statement which are not defined have the meanings given to those terms in the Original Bidder's Statement.

ASIC takes no responsibility for the content of this Third Supplementary Bidder's Statement.

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#### 2. Extension of Offer Period

Bidco has varied the Offer by extending the Offer Period. A formal notice of variation in relation to the extension was lodged with ASIC and given to Gloucester and sent to Gloucester Shareholders on 27 August 2010.

The Offer will now close at 7.00 pm (Sydney time) on 8 October 2010 (unless further extended or withdrawn).

The new date for giving the notice of the status of the condition set out in section 7.6 of the Original Bidder's Statement is 1 October 2010.

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#### 3. Alternative Transaction

##### 3.1 Background

The Original Bidder's Statement noted that Noble and the Gloucester Independent Directors were engaged in discussions regarding a possible Alternative Transaction and that Noble would update Gloucester Shareholders regarding the status of any Alternative Transaction by no later than 7 days before the end of the Offer Period.

The First Supplementary Bidder's Statement and Second Supplementary Bidder's Statement noted that discussions were continuing between Noble and the Gloucester Independent Directors in respect of a possible Alternative Transaction.

### 3.2 Overview

On 4 August 2010 Noble announced that it and Gloucester have entered into an Alternative Transaction in respect of Middlemount Coal Pty Limited (**Middlemount**).

Middlemount is a joint venture between Noble and Macarthur Coal Limited which operates the Middlemount mine. The Middlemount mine is located 6 km south-west of the township of Middlemount in central Queensland. The Middlemount mine is expected to produce low volatile PCI coal and semi-hard coking coal.

### 3.3 Transaction terms

On 4 August 2010 Noble and Gloucester entered into a share purchase agreement (**SPA**) pursuant to which:

- (a) Paway Limited (**Paway**), a wholly-owned subsidiary of Noble, will sell 88,450 ordinary shares (the **Initial Shares**) in the capital of Middlemount (the **Middlemount Shares**) to Gloucester (SPV) Pty Limited (**Buyer**), a wholly owned subsidiary of Gloucester;
- (b) Paway will sell an additional 8,000 Middlemount Shares (the **Additional Shares**) to the Buyer on the terms and conditions of the Share Sale Agreement Custom Mining (Middlemount) Pty Limited between Custom Mining Pty Limited (**Custom Mining**), Paway and Middlemount dated 4 April 2007;
- (c) Paway and Noble Resources Pte Ltd (**Noble Resources**) will assign certain contracts, including but not limited to a call option deed between Middlemount, Custom Mining and Paway pursuant to which Paway has the right to have transferred to it 64,275 Middlemount Shares (the **Call Option Shares**); and
- (d) Noble Resources agrees to pay to the Buyer the fees it is entitled to receive under the royalty deed between Oceltip Pty Ltd, Middlemount and Noble Resources dated 7 June 2007 (as amended and restated on 10 October 2008),

(collectively the **Middlemount Disposal**).

### 3.4 Consideration

The consideration (the **Consideration**) for the Middlemount Disposal is A\$437.5 million, of which A\$337.5 million will be payable in cash and A\$100 million will be satisfied by the allotment and issue to Noble of new shares (**Gloucester Shares**) in the capital of Gloucester (the **Gloucester Acquisition**). The Gloucester Shares issued as part consideration for the Middlemount Disposal will be issued at the same price per Gloucester Share pursuant to the Entitlement Offer (as defined below).

### 3.5 Conditions

The Middlemount Disposal is conditional upon, amongst others:

- (a) the Buyer obtaining Foreign Investment Review Board approval for the acquisition by it of the Initial Shares, the Additional Shares and the Call Option Shares;

- (b) approval from the shareholders of Gloucester in relation to the transactions contemplated by the SPA (**Shareholder Approval Condition**); and
- (c) the independent expert reporting to Gloucester's shareholders concluding that the transactions contemplated by the SPA and the various agreements to be entered pursuant to the SPA, are fair and reasonable to shareholders of Gloucester who are not associates of Noble, and such independent expert not changing its conclusion or withdrawing its report (the **IER Condition**).

### 3.6 Shareholder meeting and IER

Gloucester has dispatched its Notice of General Meeting and Explanatory Statement (together the **Meeting Materials**) to Gloucester shareholders [today] for the purposes of seeking the approval of Gloucester shareholders at a General Meeting for the purposes of the Shareholder Approval Condition. The General Meeting is scheduled to be held on 28 September 2010.

The Independent Directors of Gloucester have engaged Deloitte Corporate Finance Pty Limited to prepare an Independent Expert's Report (**IER**) in respect of the IER Condition. The IER is included in the Meeting Materials and includes the opinion of the Independent Expert that the relevant transactions and agreements are fair and reasonable to shareholders of Gloucester who are not associates of Noble.

### 3.7 Equity raising by Middlemount

To fund the Consideration payable for the Middlemount Disposal, Gloucester announced on 4 and 5 August 2010 an equity raising of up to A\$455 million through a 3 for 5 accelerated, non-renounceable pro rata entitlement offer (**Entitlement Offer**). The Entitlement Offer comprises:

- (a) an underwritten institutional component (**Institutional Entitlement Offer**); and
- (b) a non-underwritten retail component (**Retail Entitlement Offer**).

The offer price for the Entitlement Offer is A\$9.25 per Gloucester share.

On 5 August 2010 Gloucester announced:

- (a) the successful completion of a c.A\$434 million Institutional Entitlement Offer; and
- (b) the size of the Retail Entitlement Offer is up to A\$21 million, with this offer opening on 12 August 2010 and is expected to close at 5.00 pm (AEST) [today].

Noble will not participate in the Entitlement Offer and, as a result, its shareholding in Gloucester following completion of the Entitlement Offer and the Middlemount Disposal is expected to reduce to about 60 per cent (depending on the level of acceptances under the Offer).

Gloucester also announced on 4 August 2010 that it reserved the right to raise up to an additional A\$90 million through an institutional placement (**Placement**). The Placement did not proceed.

### 3.8 Further details

Please refer to the following announcements on ASX for further information regarding the Alternative Transaction and Entitlement Offer:

- (a) Noble's announcement on 4 August 2010 attached to the Gloucester announcement titled "Noble Group announces the disposal of interest in Middlemount Coal Pty Limited" (**Noble Announcement**);
- (b) Gloucester's announcement on 4 August 2010 titled "Gloucester to acquire Noble's interests in the Middlemount Joint Venture and announces an underwritten equity raising of A\$410 million";
- (c) Gloucester's announcement on 5 August 2010 titled "Gloucester successfully completes the institutional component of its equity raising";
- (d) Gloucester's announcement on 12 August 2010 titled "Gloucester Coal Entitlement Offer – Retail Entitlement Offer"; and
- (e) Gloucester's Notice of General Meeting and Explanatory Statement despatched [today].

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#### **4. Effect of Alternative Transaction on Bid**

On 4 August 2010 Noble confirmed the following matters (see the Noble Announcement):

- (a) Bidco will not rely on the Middlemount Disposal, the Gloucester Acquisition or the Entitlement Offer as triggering a defeating condition of the Offer;
- (b) the Middlemount Disposal, the Gloucester Acquisition and the Entitlement Offer will not affect the price of A\$12.60 for each Gloucester Share offered under the Gloucester Offer; and
- (c) all Gloucester Shareholders registered as such on the record date for the Entitlement Offer will be entitled to participate in the Entitlement Offer whether or not they have accepted the Offer and whether or not their acceptances are entitled to be withdrawn.

For the purposes of paragraphs (b) and (c) above, Bidco confirms that it will not make any deduction from the consideration of \$12.60 per Gloucester Share payable under the Offer in respect of any Rights attaching to the Gloucester Shares as a result of the Entitlement Offer given it has assessed that such Rights have nil value for the purposes of the Offer.

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#### **5. Intentions**

Noble has reviewed the statements which have been made by Gloucester in respect of its objectives and strategy in the announcements referred to in paragraph 3.8 above. Based on the information currently available to it, Noble is supportive of those objectives and strategy and does not have any present intention to make any major changes to the business of Gloucester from that outlined in those announcements.

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#### **6. Withdrawal right**

The variation of the Offer referred to above has the effect of postponing for more than 1 month the time by which Bidco must satisfy its obligations under the bid.

Accordingly, each person to whom Bidco has made an Offer and who has accepted the Offer has the right to withdraw that acceptance in accordance with section 650E of the Corporations Act 2001 (Cth). Further information about this withdrawal right is contained in the notice of variation that was sent to Gloucester Shareholders on 27 August 2010.

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**7. Date**

This Third Supplementary Bidder's Statement is dated 27 August 2010.

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**8. Noble consent**

This Third Supplementary Bidder's Statement contains statements by, or statements based on statements by, Noble. Noble has given and has not, before the lodgement of this Third Supplementary Bidder's Statement with ASIC, withdrawn its consent to the inclusion of each statement by it and each statement said in this Third Supplementary Bidder's Statement to be based on a statement by it, in this Third Supplementary Bidder's Statement in the form and context in which those statements are included.

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**9. Approval**

This Third Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Bidco.

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**10. Announcements**

Copies of relevant parts of reports and statements of third parties which have been lodged with ASIC or the ASX and which are referred to in this Third Supplementary Bidder's Statement without the consent of those third parties will, in accordance with ASIC Class Order 01/1543, be provided free of charge to any Gloucester Shareholder who requests a copy during the Offer Period. If you would like to receive a copy of any of these reports or statements, please contact the Noble Offer Information Line on 1300 089 342 (within Australia) or +61 3 9415 4387 (outside Australia).