

GLOUCESTER COAL
QUARTERLY REPORT
Period Ended 30 June 2009



FOURTH QUARTER HIGHLIGHTS

1. Higher sales volume – strong demand for thermal coal and improving conditions for coking coal
2. Successful conclusion of coking coal negotiations
3. Seven year contract at Duralie awarded to Leighton Mining
4. Increased emphasis on exploration
5. Conclusion of Noble Group bid on 16 June – Noble acquires 87.7% of GCL
6. New Board of Directors appointed, including three Non-Executive Directors
7. Barry Tudor appointed Managing Director and Chief Executive Officer

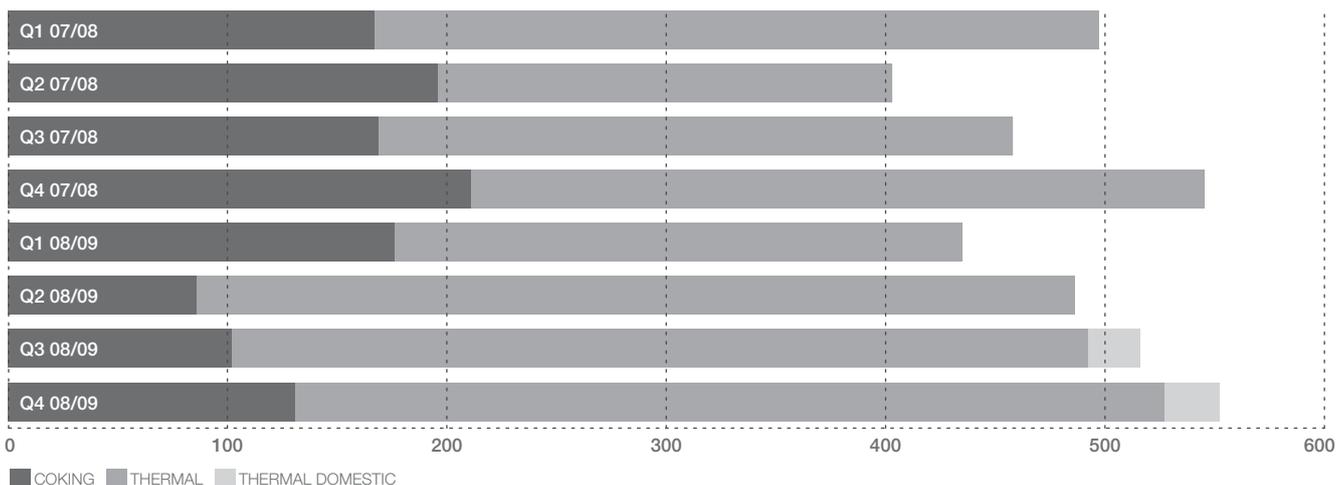
SALES

Gloucester Coal Ltd has continued to maximise sales volumes within the constraints imposed by the Port of Newcastle Capacity Balancing System. The Company recorded total sales volume of 552kt during the quarter, broadly in line with sales volumes of the previous corresponding period. There continued to be strong demand for the Company’s thermal product, and increasing demand for coking coal from subdued levels in the last two quarters. Total sales of 1,989kt for the 2008/09 financial year are in line with previous guidance.

FOURTH QUARTER 2008/09 SALES

	JUNE 08	JUNE 09	CHANGE	YTD JUNE 08	YTD JUNE 09
COAL TYPE	kt	kt	%	kt	kt
Coking	211	131	(38%)	743	495
Thermal	334	396	19%	1,160	1,445
Thermal Domestic	-	25	n.a.	-	49
TOTAL SALES	545	552	1%	1,903	1,989
Purchases	(30)	(29)	(3%)	(117)	(96)
NET SALES	515	523	2%	1,786	1,893

SALES GRAPH



COKING COAL

Sales of Gloucester coking coal (131kt) were 38% lower than the previous corresponding period, consistent with subdued demand for coking coal worldwide, however were 28% up on the March 2009 quarter indicating improved demand. Recent discussions with the Company’s customers indicate a slightly more positive outlook. In May 2009 the Company successfully concluded negotiations with Japanese Steel Mill customers for new contracts covering the Japanese Financial Year ending March 2010.

THERMAL COAL

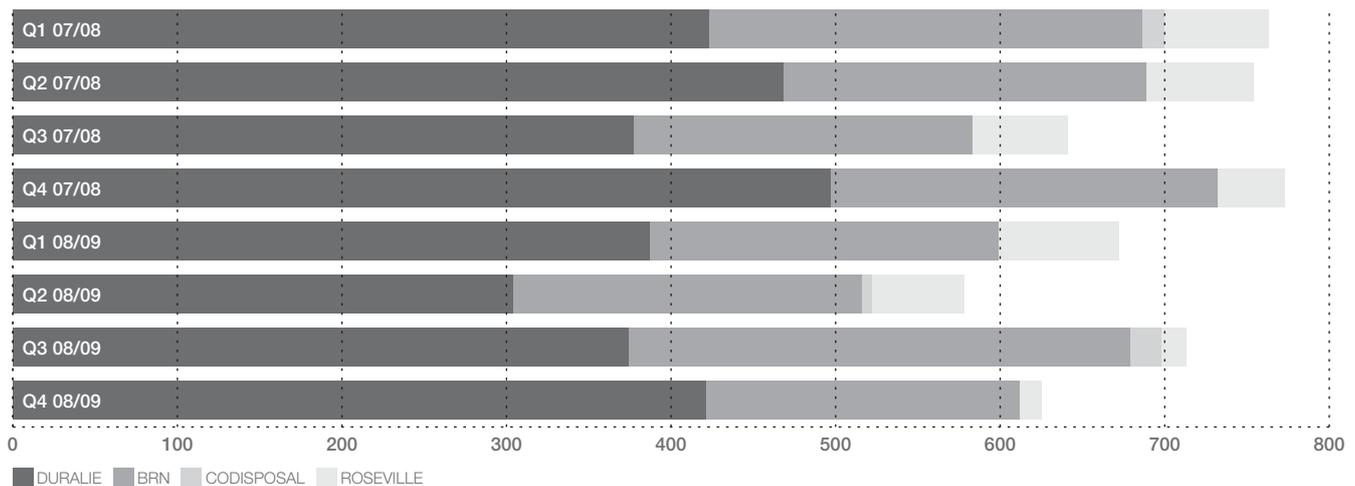
Export sales of Gloucester thermal coal (396kt) increased 19% on the previous corresponding period and reflect the continued strong demand for the Company’s thermal coal product. Domestic sales of 25kt of thermal coal were also made to a NSW power generator during the quarter. This contract is now concluded.

The Company recently agreed a contract for supply of thermal coal in 2011 and 2012 fixed at a historically high A\$ price and will continue to seek thermal coal contracts which maximise profit margin, and deliver consistent offtake of thermal product.

FOURTH QUARTER 2008/09 PRODUCTION

	JUNE 08	JUNE 09	CHANGE	YTD JUNE 08	YTD JUNE 09
COAL SOURCE	kt	kt	%	kt	kt
Duralie	497	421	(15%)	1,765	1,595
Bowens Road North	235	191	(19%)	925	944
Co-disposal	-	-	-	14	25
Roseville	41	13	(68%)	227	125
Total ROM Coal Delivered to CHPP	773	625	(19%)	2,931	2,689
Preparation Plant					
ROM Coal processed	702	650	(7%)	2,755	2,604
Total Yield	66%	65%	1%	65%	66%
Total Product	466	421	(10%)	1,800	1,728

PRODUCTION BY QUARTER



PRODUCTION

Open Cut Production

Mining volumes were within forecast. Although pit operations were somewhat impacted by wet weather, stocks of product coal were utilised to satisfy sales demands. ROM coal production was down by 19% from the previous quarter and down 8% on the previous year. Waste volumes were in line with expectations over the full year of operations.

Duralie mining operations were routine during the period as mining in Strip 7 was completed and mining in Strip 9 commenced. Roseville coal was not required for the coking coal blends during the period. The last coal was removed from Roseville Extension pit in June 2009. Coal extraction from Roseville West commenced 24 June 2009, providing continued ROM coal to suit coking coal blend requirements.

Despite wet weather, Bowens Road North operations continued to perform well. There was no production required from the co-disposal area during the quarter.

The Bowens Road diversion road was opened to public traffic in April and the haul road / public road intersections have been decommissioned, thereby eliminating the risks associated with such interaction with public traffic. Management of excess mine water at Duralie continues as a high priority. Construction of the Auxiliary Storage Dam was completed, providing a further 470ML on site storage at Duralie. The overall storage level (including Auxiliary Dam capacity) was 68% at the end of the period.

Preparation of the environmental assessment associated with an application for additional irrigation areas at Duralie is nearing completion.

An application to modify the Duralie consent to allow a slight increase in pit area (still within the consented project area) has been lodged with the NSW Department of Planning.

Mining contract - Duralie

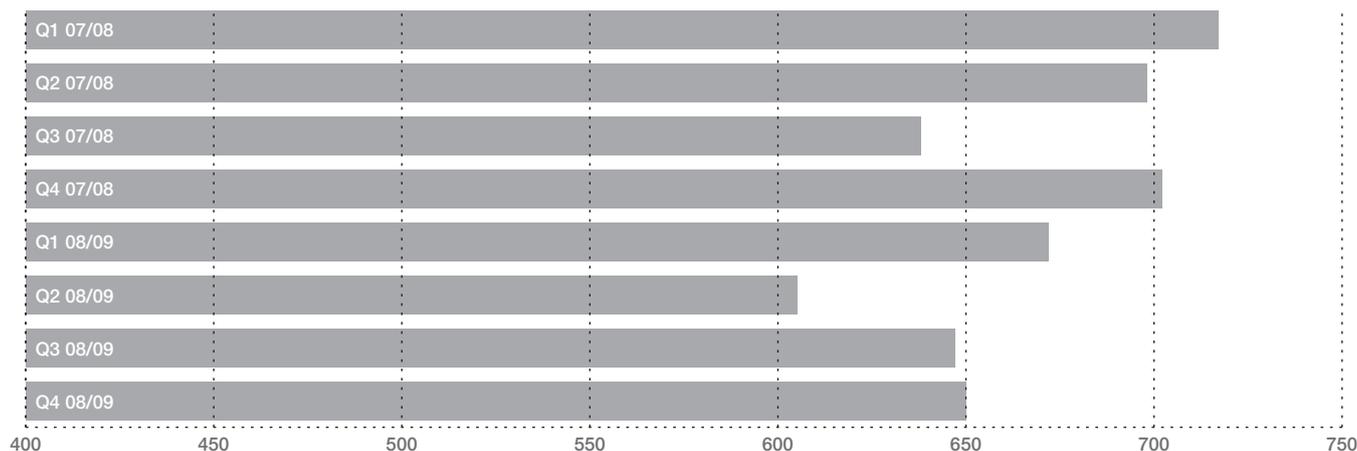
Leighton Mining has been awarded a seven (7) year extension to the Mining Operations Contract (value \$350M) at Duralie commencing 1 July 2009.

In June, Duralie Coal placed a further order for 3 new CAT 785C XQ haul trucks for delivery in June 2010, bringing the total on order to 11. This new fleet replaces the contractor’s existing high hours fleet of CAT789 trucks that are due for progressive replacement from the end of 2009.

Part 3A Application - Duralie

Preparation of the Part 3A application and environmental assessment for the Duralie expansion is well advanced and on track. The consultation process with various stakeholders will commence shortly.

STRATFORD PREPARATION PLANT CHPP FEED BY QUARTER



Stratford Coal Preparation Plant

The Coal Handling Preparation Plant (CHPP) continued to run efficiently, with routine performance in line with forecast.

Coal processing achieved total planned tonnage for the period, although the emphasis was on thermal coal production to meet sales commitments.

Construction of the Product Pile Expansion is nearing completion, despite delays due to wet weather and is expected to be operational by Q1 2009/10 and within budget.

The upgrade and refurbishment works on the CHPP are in progress and scheduled for progressive, staged completion through to mid 2010, in readiness for additional tonnage from Duralie.

EXPLORATION

Exploration continues to be a key focus of the Company as it accelerates the resource discovery rate.

During the quarter the Company spent \$1.34 million on exploration activity, (YTD \$3.7 million). A total of 63 holes (open hole and core) were drilled for a total of 8,010 metres.

During the quarter, the Company continued to build on the successful exploration activity of previous periods which had identified major new thick coal seams for open cut mine production. During the period the exploration program was further expanded with an additional drill rig and support equipment, increasing overall capacity, as well as the ability to drill the deeper open cut and underground targets.

Exploration drilling was targeted to:

- Provide definition for mine planning and design in the Duralie North West and Roseville West areas which is expected to add to the current 38 million tonnes of JORC Reserves.
- Definition of resources in Clareval and Weismantel seams within the 180 to 275 million tonnes of Gloucester basin exploration targets.

Drilling continued at Stratford East to determine the location and extent of the Clareval and Weismantel Seams. Drilling extended a further 2km south towards EL6904. Intersections of Clareval coal and lower plies thicken towards the south and down hole intersections up to 29m have been identified.

At Roseville West, drilling of the Cloverdale, Deards, Bindaboo and Marker Seams is continuing to enable resources to be extended to depths of 140m and upgraded from inferred to indicated category.

At Duralie Northwest holes are being drilled on the Clareval Seam to over 200m depth, to extend the resources of thick coal beyond 150m depth of cover and provide resolution for mine planning.

Open hole drilling commenced in EL6904 and extended south in A315 towards Grant & Chainey to define Clareval and Weismantel Seam resources. A fifth drilling rig is scheduled to commence operation in the next quarter, further accelerating the resource discovery rate.

FINANCE

The Company remains on track for a record financial result for the year ended 30 June 2009. Net Profit After Tax (NPAT) remains within the previously advised profit guidance of between \$88 million to \$95 million (excluding corporate transaction costs).

The financial performance of the Company continues to strengthen, with cash as at 30 June 2009 of \$65.8million. The hedge book as at 30 June 2009 was \$US107 million at an average hedge rate of 0.7125.

CORPORATE ACTIVITY

On 15 May 2009, Gloucester Directors unanimously recommended that shareholders accept Noble Group's offer of \$7.00 per share. As a result, the Whitehaven Merger lapsed and the Noble Group offer proceeded on an unconditional basis. Noble Group's offer closed on 16 June 2009 with its shareholding at 87.7%.

In June 2009 a new Board of directors was appointed comprising three independent directors (including an independent Chairman). Mr Barry Tudor was appointed Managing Director and Chief Executive Officer on 17 June 2009.

A review of the Company's operations, assets, capital structure and strategy is currently in progress. Further announcements in relation to the Company's strategic direction are expected to be made at the conclusion of this review.

