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GLOUCESTER COAL

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Gloucester successfully completes the retail component of its equity raising

6 September 2010

Gloucester Coal Ltd (ASX:GCL) ("Gloucester") today announced the successful completion of the retail component of its 3 for 5 accelerated non-renounceable pro-rata entitlement offer ("Retail Entitlement Offer") to eligible retail shareholders, which closed on Friday, 27 August 2010. This follows the successful completion of the underwritten institutional entitlement offer which raised approximately A\$434 million.

The total amount raised under the Retail Entitlement Offer was approximately A\$7 million. Gloucester accepted applications for 803,418 new shares under the Retail Entitlement Offer, including applications in excess of entitlements, at the offer price of A\$9.25 per new share.

These new shares will rank equally with existing Gloucester shares, however, these new shares are not eligible to be accepted into the Noble Offer¹ and will trade under a separate ASX code (GCLN) to those on issue at 1 June 2010 until the Noble Offer and any associated buy-out rights end (the Noble Offer is currently scheduled to close on 8 October 2010, but may be extended).

Barry Tudor, Gloucester's Chief Executive Officer, said "The Retail Entitlement Offer completes an overall successful equity raising which received a strong level of support from investors. Gloucester is now well placed to become a major Australian, independent, diversified metallurgical coal producer and benefit from the long-term strength in the metallurgical coal markets".

Gloucester will issue 803,418 new shares in relation to the Retail Entitlement Offer. The allotment of new shares under the Retail Entitlement Offer is expected to occur today with new shares commencing trading on the Australian Securities Exchange on Tuesday, 7 September 2010.

FOR FURTHER INFORMATION

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¹ On 6 April 2010 Noble announced its intention to acquire the Gloucester shares it did not own for A\$12.60 per share



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This announcement is not financial product or investment advice nor a recommendation to acquire Gloucester shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Gloucester is not licensed to provide financial product advice in respect of Gloucester shares.

An investment in Gloucester shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Gloucester Group, including possible loss of income and principal invested. Gloucester does not guarantee any particular rate of return or the performance of the Gloucester Group, nor does it guarantee the repayment of capital from Gloucester or any particular tax treatment. In considering an investment in Gloucester shares, investors should have regard to (amongst other things) the risks and disclaimers outlined in the Investor Presentation released to ASX on 4 August 2010.