

COAL, 24/7

MACARTHUR COAL

LIMITED

15 January 2008

ASX Release

COMPLETION OF CUSTOM MINING ACQUISITION

About Macarthur Coal

Macarthur Coal is an Australian coal company developing a new generation of coal assets in Queensland's Bowen Basin. The company currently holds 73.3% of the Coppabella and Moorvale mines.

The company's operations produce approximately 35% of the seaborne global demand for low volatile PCI coal, which is a high-growth coal market.

The company is focussed on organic growth through developing new mines from grass roots level and identifying and pursuing high growth market segments.

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Macarthur Coal Limited (ASX: MCC), today announces the completion of the acquisition of Custom Mining Pty Ltd. The details of the transaction were previously announced on 10 December 2007.

The Company announced the acquisition of 100% of the shares in Custom Mining Limited for total consideration of \$275 million, including the issue of 24,776,393 fully paid ordinary shares (placement shares).

The Company relies on case 1 in section 708A(5) of the Corporations Act 2001 (Act) in respect of the issue of the placement shares.

The Company gives notice under paragraph (5)(e) of section 708A of the Act that:

1. The Company issued the placement shares without disclosure to the places under Part 6D.2 of the Act;
2. As at the date of this notice the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act (as applicable to the Company); and
 - (b) section 674 of the Act; and
3. As at the date of this notice there is no excluded information (as defined in section 708A(7) of the Act) which is required to be disclosed by the Company.

Custom Mining's interests lie in two projects that include 70% of the Middlemount project and a farm-in agreement for up to 70% of the Dingo West prospect. The Middlemount project is located six kilometres southwest of the township of Middlemount in central Queensland, approximately 280km from DBCT and 390km from the port of Gladstone.

It is forecast that 70% of the production will be a high quality coking coal and 30% a low volatile (LV) PCI coal. Leighton Contractors Pty Ltd has commenced bulk sample open-cut mining activities on site.

Macarthur Coal's CEO, Ms Nicole Hollows, said, "the acquisition will lead to diversification of Macarthur Coal's product range and reinforces our position as Australia's leading independent coal company."