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MACARTHUR COAL SIGNS OPERATING CONTRACT WITH SEDGMAN

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 one third 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 announced the extension and amalgamation of two key coal handling and preparation operating contracts worth \$80 million with Sedgman Limited (ASX:SDM) at the Coppabella and Moorvale coal mines.

The three-year contract will see Sedgman continue to operate and maintain the Coppabella and Moorvale coal handling and preparation plants (CHPPs), including their stockpile management and train loading functions.

Under the previous operating contracts with Sedgman, the Coppabella CHPP has processed more than 47 million tonnes of coal and operated lost time injury free for the last eight years. The Moorvale CHPP has processed 16 million tonnes and operated lost time injury free during the past three years.

Managing Director Nicole Hollows commended Sedgman on its milestone achievement in safety at Macarthur's Moorvale and Coppabella sites.

"The team at Macarthur looks forward to our long term relationship with Sedgman continuing to add value throughout our operations" Ms Hollows said.