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MACARTHUR COAL REVISES FIRST HALF 2010 FINANCIAL YEAR GUIDANCE

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 that December half 2009 sales volume reached 2.8Mt. This is ahead of previous guidance provided on 18 November 2009 which stated a shipping schedule of 2.4Mt – 2.7Mt.

December quarter 2009 sales volumes were the second highest in the company's history and above guidance due to strong production during the second quarter, weather conditions that were more favourable than anticipated, and a partial reduction in the vessel queue at Dalrymple Bay Coal Terminal (DBCT) which facilitated earlier loading of cargoes.

As a result, the company has revised its profit guidance for the six months to December 2009 to be in the range of \$37 million to \$42 million.

June half 2010 sales are forecast to be less than the December half 2009 due to minimal coal stocks at commencement of the half, likely seasonal effects of the weather on production, and continuing restrictions in the Goonyella coal chain.

Due to the first half sales volume, MCC increases its full year sales forecast to be in the range of 4.8Mt to 5.0Mt. This remains subject to unexpected production disruptions including disruptions caused by extreme additional wet weather and significant increases in Goonyella coal chain congestion.

CEO, Nicole Hollows said "It is pleasing to see the strong recovery in sales and that we are now back to full production".

The company also advised that whilst discussions are continuing, lack of progress in obtaining key toll arrangements for temporary water and rail infrastructure makes it unlikely that there will be any shipments from the Middlemount project in fiscal year 2011.

Ms Hollows said "Middlemount Coal is progressing development of its own rail loop and water supply pipeline which are expected to be completed in the December half 2011".

Middlemount Coal will continue to seek opportunities for an earlier start but in parallel will expedite the EIS already underway for increased production which enables an accelerated ramp up of production once the infrastructure is in place.