

MACARTHUR
ABN 40 096 001 955



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Brisbane QLD 4000
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30 January 2004

The Announcements Officer
Company Announcements Office
Australian Stock Exchange Ltd
Exchange Centre
Level 6, 20 Bridge Street
Sydney
NSW 1215

Dear Sir,

**Quarterly Report to the Trustee of the Convertible Notes in accordance with
Section 283BF of the Corporations Act.**

Please find attached Macarthur Coal's quarterly report for the quarter ending 31
December, 2003.

Yours faithfully,
MACARTHUR COAL LIMITED

R.K. ADAMS
Company Secretary



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30 January 2004

Mr C Dean
Senior Investment Officer
Public Trustee of Queensland
GPO Box 2250
Brisbane
Qld 4001

Dear Mr Dean,

QUARTERLY REPORT UNDER SECTION 283BF OF THE CORPORATIONS ACT

Macarthur Coal Limited (the "Company") is a borrower within the meaning of section 9 of the Corporations Act having issued debentures (again with the meaning of section 9) under a trust deed (the "Trust Deed") dated 4 November, 2002 under which The Public Trustee of Queensland Limited (the "Trustee") acts as trustee for the debenture holders.

In accordance with section 283BF of the Corporations Act, the Company hereby reports to the Trustee in respect of the quarter ended 31 December 2003 as follows:

1. Neither the Company, nor any Guarantor (as defined in section 9 of the Corporations Act) (a "Guarantor") has failed to comply with the terms of the Trust Deed or Chapter 2L of the Corporations Act or with the terms of any of the debentures issued under the Trust Deed (the "Notes").
2. There have been no events that have happened during the quarter that have caused or could cause:
 - a) any amount deposited or lent under the Notes to become immediately payable;
 - b) the Notes to become immediately enforceable; or
 - c) any other right or remedy under the terms of the Notes or provision of the Trust Deed to become immediately enforceable.

3. No circumstances have occurred during the quarter that materially prejudice:
 - a) the Borrower, any of its subsidiaries or any of the Guarantors; or
 - b) any security or charge included in or created by the Notes or the Trust Deed.
4. There have been no substantial changes in the nature of the business of the Company or of any of the Guarantors during the quarter.
5. During the quarter:
 - a) no Guarantor was appointed;
 - b) no liability of any Guarantor for the payment of the whole or any part of the money for which it is liable under its guarantees ceased;
 - c) no change of name of any Guarantor occurred.
6. The Company has not created a charge under which both:
 - a) the total amount to be advanced on the security is indeterminate; and
 - b) the advances are merged in a current account with bankers, trade creditors and/or others.
7. There are no other matters that may materially prejudice any security or the interest of the Note holders.
8. During the quarter the Company has deposited money with and/or lent money to related bodies corporate (other than those referred to in subsection 283BF(7)(b) of the Corporations Act) as follows:

Name of Related Body Corporate	Amount Lent/(Repaid)	Amount Owing by/(to)	Security Y/N
Moorvale Coal Pty Ltd	(32,358,651)	(3,013,624)	N
Coppabella Coal Pty Ltd	28,502,327	61,456,312	N
Macarthur Exploration Pty Ltd	145,075	7,101,326	N
Macarthur Coal Management Pty Ltd	(78,358)	2,115,698	N
Monto Coal Pty Ltd	(143,899)		N
Monto Coal 2 Pty Ltd	1,095,714	19,173,980	N
Moorvale Interest Pty Ltd	200	(11,434,602)	N

The large changes in the Amounts Lent/(Repaid) column applying to Moorvale Coal Pty Ltd and Coppabella Coal Pty Ltd are due to the unification of the Coppabella and Moorvale joint ventures. The unification process included the transfer of Moorvale Mine assets from Moorvale Coal Pty Ltd to Coppabella Coal Pty Ltd.

9. The Company has not assumed any liability of a related body corporate during the quarter except for a \$3.43 million increase in an existing guarantee, guaranteeing the performance of Coppabella Coal Pty Ltd, a controlled entity, in fulfilling its obligations under a residual value guarantee. The residual value guarantee is applicable to the value of the lease residual for a dragline used by a contractor at the Coppabella Mine. The increase arises as a consequence of Coppabella Coal Pty Ltd increasing its Coppabella Joint Venture interests from 50% to 73.3%.

The Company replaced an uncapped indemnity, established on 5 September 2003 in favour of Queensland Rail, with a capped guarantee as security for the due and proper performance of Monto Coal 2 Pty Ltd's obligations to meet the cost of the upgrade of the Monto to Gladstone rail line. The liability at the end of December 2003 was \$3.5 million.

This report was made on 30 January 2004 in accordance with a resolution of the Directors of the Company.

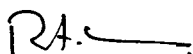


Director



Director

Yours faithfully,
MACARTHUR COAL LIMITED



R.K. ADAMS
Company Secretary

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