

**MEDIA RELEASE**

**23 February 2005**

**Macarthur Coal Achieves Record First Half Year  
Production, Profit and Dividend**

Macarthur Coal Limited (ASX: MCC, MCGG) today reported a Net Profit After Tax (NPAT) of A\$23.1 million for the six months ended 31 December 2004.

The half year result is a major improvement on the previous comparable period for which a small loss of A\$0.3 million was reported. Today's reported result also compares favourably with the full year profit for the year ended 30 June 2004 of A\$11.7 million.

Record coal sales of 3.4 million tonnes were achieved at the Coppabella and Moorvale mines. Macarthur Coal's 73.3% share of the sales was 2.6 million tonnes, representing an increase of 53.6% on the previous corresponding period. Macarthur Coal's established production capacity for the current financial year is 4.5 million tonnes following the expansion of production capacity at the Moorvale Mine in 2004.

Macarthur Coal's revenue from coal sales for the first half year was A\$160.6 million, up 72.5% on the December 2003 half year. The revenue increase is mainly due to a combination of a 906,000 tonne increase in sales volume and increased USD sales prices.

Other key financial performance results are summarised in the following table:

		<b>1<sup>st</sup> Half 2005</b>	<b>1<sup>st</sup> Half 2004</b>	<b>% Var</b>
Sales revenue	A\$M	160.6	93.1	72.5
EBITDA	A\$M	44.6	9.7	361.3
EBIT	A\$M	37.0	5.2	609.5
NPAT	A\$M	23.1	(0.3)	NA
Basic earnings per share	cents	14.87	(0.22)	NA

An interim dividend of 7.0 cents per share fully franked was announced. The dividend accords with the company's policy of paying approximately 50% of NPAT as dividends.

Profit guidance for the year ending 30 June 2005 has been revised from \$40 - \$45 million to \$48 - \$55 million. The revised forecast takes account of coal price settlements for JFY 05 (Japanese Financial Year, commencing 1 April 2005). The revised forecast also includes an estimated volume of sales delivered during the June 2005 quarter at JFY04 prices (carryover tonnage) and demurrage. The revised profit forecast takes account of the negative impact of infrastructure constraints and is sensitive to port throughput.

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Commenting on the result, Macarthur Coal's Managing Director and Chief Executive Officer, Ken Talbot, said that the strong result demonstrates the company's commitment to delivering on its promises.

"Macarthur Coal's solid financial performance for the first half is due to coal price increases which took effect on 1 April 2004 and improved production performance at both the Coppabella and Moorvale mines.

"Looking forward, demand for low volatile PCI coal remains strong. Coal price increases resulting from the current round of negotiations will continue to improve profitability.

"We will continue to seek opportunities to grow production. Eight new coal projects providing coking coal, PCI coal and thermal coal are being evaluated. Additionally, the feasibility of a coke plant is under investigation. Infrastructure constraints continue to be a major impediment to Macarthur Coal's ability to fully capitalise on strong market conditions," Mr Talbot said.

### ***About Macarthur Coal***

Macarthur Coal is an Australian resources 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 38% 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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