

COAL, 24/7

MACARTHUR COAL LIMITED

MACARTHUR COAL DISMISSES LINK

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ASX Release

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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Keith De Lacy, Chairman of Macarthur Coal Limited (ASX:MCC), today issued a statement dismissing any suggestion of a link between loan instalments by Ken Talbot to Gordon Nuttall and an arrangement with the Government to relocate the Transport Infrastructure Corridor at Coppabella Mine.

He said a Commercial Terms Sheet with respect to the arrangement had been issued by the Department of State Development (DSD) approximately 12 months before the first of the loan installments.

Mr De Lacy said the arrangement, which facilitated the relocation of the government infrastructure (road and rail) at the mine, was a commercial one and was backed by a bank guarantee from the Macarthur Coal group's financiers.

"The arrangement was negotiated between officials from Macarthur Coal and officers from the Treasury Department and DSD. It wasn't even a cabinet decision," Mr De Lacy said.

He said the big winner from the deal was the government.

"The liberated coal will lead to royalty payments to the government of up to \$150 million as well as increased revenue for government owned corporations such as Queensland Rail.

"Mr Talbot remains a Director of Macarthur Coal and we retain confidence in him.

"It is business as usual at Macarthur Coal."