

COAL, 24/7

MACARTHUR COAL

LIMITED

MACARTHUR COAL BOARD SUPPORTS CITIC'S INCREASED SHAREHOLDING

2 July 2007

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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The Board of Macarthur Coal was supportive of the increased stake in the company taken up by CITIC Australia Coal Pty Ltd (CITIC).

Chairman Keith De Lacy said Macarthur Coal's partnership with CITIC had been in place for more than 10 years and was based on a shared long term vision and mutual respect.

He was commenting on the announcement that CITIC had increased its stake from 11.62 % to 19.9% of the issued capital of the company by purchasing 15,683,735 shares from major shareholder, founder and Director Mr Ken Talbot.

Mr De Lacy said the realignment of interests did not affect other shareholders and merely consolidated the underlying independence of the company.

"Macarthur Coal's vision is to be a leading independent coal producer and the stability and support provided by the two major shareholders is pivotal in this objective. We look forward to continuing the long term relationship with our two largest shareholders" he said.