



## MACARTHUR COAL (ASX:MCC) ANNOUNCES ACQUISITION OF ASSETS FROM CITIC RESOURCES HOLDINGS LIMITED

22 December 2009

**Macarthur Coal Limited ("Macarthur") today announced its intention to acquire CITIC Resources Holdings Limited's ("CITIC Resources") direct interests in Macarthur's operating assets and intention to terminate marketing rights to China and India.**

Macarthur has agreed to acquire all of CITIC Resources' direct interests in certain Macarthur operating assets, as well as terminate CITIC Resources' marketing rights over coal generated from those operating assets and sold into China and India. In return, Macarthur will issue 11.3 million Macarthur shares at a fixed price of A\$9.70 per share, for a total value of A\$110 million ("CITIC Transaction").

The assets to be acquired from CITIC Resources as part of the CITIC Transaction are:

- 100% shareholding in CITIC Coppabella Pty Ltd (the CITIC entity which holds:
  - 7.0% of the Coppabella & Moorvale Joint Venture ("CMJV"), comprising the Coppabella, Moorvale and Olive Downs North projects
  - 7.0% shareholdings in Macarthur Coal (C&M Management) Pty Ltd and Bistrotel Pty Ltd)
- 7.0% shareholding in Macarthur Coal (C&M Equipment) Pty Ltd

As part of the transaction CITIC Resources' marketing rights over coal sales to China and India for CMJV product, being coal from Coppabella and Moorvale mines and the Olive Downs North project, once developed, will be terminated.

The Macarthur Board (excluding Mr Chen Zeng by reason of conflict), unanimously support the CITIC Transaction.

### **Rationale for the CITIC Transaction**

- **Consolidates interests in operating assets** – after the transaction, Macarthur will own 80.3% of the CMJV, increasing attributable 2009A sale volumes by 0.4 million tonnes and future attributable cashflows from the projects
- **Increases attributable reserve and resource base** – the acquisition of CMJV will result in an increase in attributable reserves and resources (excluding reserves) to Macarthur of 8.8mmt and 23.0mmt respectively
- **Greater marketing control** – terminating CITIC Resources' marketing rights over coal sales to China and India for coal product from the CMJV will ensure that Macarthur maintains full control over coal sales into these important regions



## Gloucester Offer and Noble Transactions

Macarthur has issued a separate statement to ASX today in respect of a takeover of Gloucester Coal Ltd ("Gloucester") and conditional acquisitions of assets from Noble Group Limited ("Noble").

### Key conditions

- Macarthur shareholder approval in a general meeting
- CITIC Resources board and shareholder approvals
- FIRB and other regulatory and third party approvals
- CMJV minorities to waive pre-emptive rights in relation to the CITIC Transaction

The CITIC Transaction is not conditional in any way on the Gloucester Offer or the Noble Transactions announced today.

### Pro forma shareholding of Macarthur

Each of the CITIC Transaction, the Gloucester Offer and the Noble Transactions results in the issuance of Macarthur ordinary shares. Consequently, Macarthur has considered carefully the likely composition of its share register following the proposed transactions. In summary, Macarthur believes its register will reflect the following, post completion of these transactions:

Shareholder	Pro forma ownership post CITIC Transaction (%)	
	Assuming Gloucester Offer and the Noble Transactions proceed	Assuming Gloucester Offer and the Noble Transactions do not proceed
Noble and associated entities	23.2%	n/a
CITIC Resources and associated entities	19.2%	25.7%
Macarthur shareholders other than CITIC Resources and associated entities	55.3%	74.3%
Former Gloucester shareholders other than Noble	2.4%	n/a

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**About Macarthur Coal**

Macarthur Coal (ASX: MCC) is the world's largest producer of seaborne low volatile pulverized coal injection coal (LV PCI) used for steel making. As a supplier to the world's leading steel producers, Macarthur exports its entire product around the globe. The company currently holds 73.3% of the Coppabella and Moorvale mines, located in Queensland's Bowen Basin.

The company is focused on organic growth through developing new mines from grass roots level and identifying and pursuing high growth market segments.

**About CITIC Group**

CITIC Group is a state-authorized investment institution and a large state-owned multinational conglomerate based in China. It has a full range of financial businesses, including banking, securities, insurance, trust, fund, asset management and futures. It is also involved in a number of other industries including real estate and regional development, project contracting, infrastructure, resources and energy, manufacturing, IT and high-tech industries.

CITIC Group indirectly hold 54.01% of CITIC Resource Holdings Limited, a company listed on the Hong Kong Stock Exchanges and has a market capitalisation of approximately A\$1,820,000,000 (HK\$12,800,000,000).

CITIC Group together with its associated entities is currently the largest shareholder of Macarthur, with an interest of 22.4%.