



Australian Government

Takeovers Panel

MEDIA RELEASE

No: 12/2010

Thursday, 8 April 2010

Macarthur Coal Limited – Panel Receives Application

The Panel has received an application dated 7 April 2010 from Peabody Energy Corporation in relation to the affairs of Macarthur Coal Limited.

Macarthur has made a takeover bid for all the shares in Gloucester Coal Ltd and also proposes to acquire assets from Gloucester's major shareholder, Noble Group Limited. It is proposed that Noble will obtain scrip in relation to its acceptance of the Macarthur bid and in consideration for the assets and will acquire between 20.7% and 24.6% of Macarthur's expanded share capital. Macarthur has convened a shareholders' meeting for Monday, 12 April 2010 to approve the proposed issue of shares to Noble. Macarthur's bid for Gloucester is conditional, among other things, on approval at the shareholders' meeting.

On 31 March 2010, Macarthur announced that it had received a proposal from Peabody offering to acquire all the shares in Macarthur at \$13 per Macarthur share. On 6 April 2010, Macarthur announced that it had received a revised proposal from Peabody at \$14 per Macarthur share by scheme of arrangement. The initial and revised Peabody proposals are conditional, among other things, on the Gloucester/Noble transactions not proceeding.

On 7 April 2010, Macarthur announced that its board had rejected the revised Peabody proposal and that the board continued to recommend that shareholders vote in favour of the resolution at the shareholders' meeting and had determined not to defer that meeting. Proxy appointments for the shareholders' meeting are due at 11am on Saturday, 10 April 2010.

Peabody submits the following constitutes unacceptable circumstances:

- the failure by Macarthur to provide its shareholders with additional information in relation to the revised Peabody proposal including (among other things) updated information in relation to the Gloucester/Noble transactions taking into account the revised Peabody proposal, and sufficient information to allow shareholders to compare the relative merits of the revised Peabody proposal and the Gloucester/Noble transactions and

- the failure by Macarthur to postpone the shareholders' meeting does not permit additional disclosure to be made and to allow its shareholders to consider all information relevant to the resolution proposed.

Peabody seeks an interim order that Macarthur be required to postpone the shareholders' meeting until its application is determined. Peabody seeks final orders, including to the effect that:

- Macarthur make additional disclosure in relation to the revised Peabody proposal including, among other things, an updated independent expert's report in relation to the Gloucester/Noble transactions and, if the Macarthur board continues to recommend the Gloucester/Noble transactions despite the revised Peabody proposal, detailed reasons for maintaining that recommendation and
- the shareholders' meeting be postponed to a date that is not less than 10 business days after the date on which Macarthur dispatches the additional information.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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