Disclaimer:
Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Excel Coal Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
Contents

Background

- Coal Markets
- FY 2006 Half Year Outcomes
- Expansion Programme
- Outlook
Largest of the ‘Independent’ Australian coal miners
Market capitalisation of ~ A$1,600 million with ~ 53% free float
Current production of ~ 6 Mtpa…growing to ~19 Mtpa by 2009
Large resource / reserve base
Diversified mines, products, customers, and infrastructure
Managed by experienced coal industry people with significant equity stakes
Superior track record of creating shareholder value since 1993
Dividends have been paid since 1998…policy is 50% of NPAT
Strong financial position with conservative financial management
# EXCEL COAL’S HISTORY
## 13 YEARS OF ADDING VALUE

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 1984</strong></td>
<td>Resource Finance Corporation Ltd (RFCL) founded</td>
</tr>
</tbody>
</table>
| **FY 1993** | Excel Holdings Pty Ltd (EHPL) founded  
EHPL acquires Gloucester Coal Assets |
| **FY 1994** | RFCL acquires 16.7% of EHPL |
| **FY 1995** | EHPL builds Stratford mine in JV with CIM Resources Limited (now known as Gloucester Coal) |
| **FY 1997** | EHPL sells Stratford & Duralie JV interests to CIM  
EHPL acquires 50% of ICC Holdings |
| **FY 1998** | EHPL & RFCL farm into Cosila |
| **FY 2001** | EHPL & RFCL acquire 75% of Wambo mine  
RFCL sells advisory business and is renamed Eureka Capital Partners Ltd |
| **FY 2002** | EHPL & Eureka acquire 42% of Metropolitan mine  
EHPL & Eureka acquire 72% of Chain Valley mine |
| **FY 2003** | EHPL and Eureka merged to form Excel Coal Limited |
| **FY 2004** | Excel acquires Metropolitan minorities  
Excel awarded Wilpinjong project  
Excel IPO |
| **FY 2005** | Excel acquires Wambo minority  
Wambo expansion construction begun  
Cosila & TCSV ownership rationalised with AMCI affiliates as new Excelven owners  
Excel acquires 85% of Millennium Coal Pty Ltd and forms RMJV with BHPB/Mitsui…construction begun |
| **FY 2006** | Excel Coal Marketing created with AMCI as partner  
Excel acquires LakeCoal minorities  
Wilpinjong Mining Lease granted and construction started  
Excel raises $100 million of new capital at $6.85/share (7.3% dilution) |
<table>
<thead>
<tr>
<th>Director/Title</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Massy-Greene</td>
<td>+30 years mining and finance experience</td>
</tr>
<tr>
<td>Non-Executive Chairman</td>
<td></td>
</tr>
<tr>
<td>Rick Chadwick</td>
<td>+40 years coal industry experience</td>
</tr>
<tr>
<td>Non-Executive Deputy Chairman</td>
<td></td>
</tr>
<tr>
<td>Tony Haggarty</td>
<td>+25 years coal industry experience</td>
</tr>
<tr>
<td>Managing Director</td>
<td></td>
</tr>
<tr>
<td>Allan Davies</td>
<td>+30 years coal industry experience</td>
</tr>
<tr>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>Chris Ellis</td>
<td>+30 years coal industry experience</td>
</tr>
<tr>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>Andy Plummer</td>
<td>+30 years coal industry and finance experience</td>
</tr>
<tr>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>John Conde AO</td>
<td>+30 years commercial experience</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Terry Williamson</td>
<td>+30 years accounting/commercial experience</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

- Nearly 250 years of cumulative industry experience
- Executive Directors have worked together for 13 years building Excel and have a proven track record as mine developers and operators
- Directors own ~47%...their interests are closely aligned with other shareholders
- Focused on profitability, dividends & value adding
<table>
<thead>
<tr>
<th>Growth Opportunities</th>
<th>Creating Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Look for underperforming assets or assets requiring intensive management / re-engineering</td>
<td>➢ Identify value-adding opportunities</td>
</tr>
<tr>
<td>➢ Sensitive vendors requiring creative, “win-win” outcomes</td>
<td>➢ Active, hands-on management of mine development, re-engineering &amp; operations</td>
</tr>
<tr>
<td>➢ Majors selling “non-core” assets</td>
<td>➢ Systematically identify and reduce business risks</td>
</tr>
<tr>
<td>➢ Leverage off of our existing positions</td>
<td>➢ Properly structured deals</td>
</tr>
<tr>
<td>➢ Greenfield developments</td>
<td>➢ Application of intellectual capital and appropriately leveraged financial capital</td>
</tr>
</tbody>
</table>
EXCEL’S GROWTH PROFILE

Excel Coal Limited - Coal Sales Plan by Mine

Note: Growth tonnages are indicative and represent current plans. Final tonnage and timing remain subject to factors outside Excel’s control.
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MARKET OUTLOOK
STRONGER FOR LONGER?

➢ Global growth trends remain favourable for raw materials demand
  • China growth remains ~10% pa
  • India growing at a similar rate
  • Japan rebounding
  • USA growth steady

➢ Supply response appears slower than expected
  • Infrastructure constraints
  • Long lead times for Government approvals
  • Skills shortages
  • Equipment and fabrication shortages
  • High barriers of entry for new participants
AUSTRALIAN THERMAL COAL PRICES
WHAT NEXT?

Long Term Australian Thermal Coal Price to Asia

- Actual A$
- 15 Year Average
- 10 Year Average
- 25 Year Average
- EXL Planning Assumption
- Analysts Forecasts
- 25 Year Trend Line
Demand for both coking and thermal coal remains strong

Coking coal prices remain at high levels for next year

However…wide variation in coking coal prices, depending on quality

Excel is now moving to fix coking coal contracts following the recent settlements

Thermal coal spot market has strengthened with GlobalCoal Index rising by some 30% in 8 months to over US$50/t for Newcastle coal

No substantial settlements of thermal coal contract prices by major Australian suppliers so far
FY 2006 HALF YEAR RESULTS
HIGHLIGHTS

- Net profit of $52.9 million…26.5 cents per share
- Interim dividend (fully franked) of 13 cents/share
- Strong balance sheet…8% gearing pro-forma (Half Year) with 45% at ‘peak’ spend later this year
- Operating mines are all are performing well
- Coal markets remain strong but with attendant cost pressures
- Wambo & Wilpinjong developments are on track and looking good
- Millennium CHPP remains a problem
  - overrun expected to be $65 million
  - CHPP commissioning still slated for end of May
- FY 2006 profit guidance is $95 to $100 million
WAMBO IS PERFORMING WELL

- Saleable coal produced of 1.7 Mt, up 17% on 1H FY05
- Sales of 1.9 Mt, up 41% on 1H FY05
- Safety record is good
- No major environmental issues
- Some cost pressures but they should be more than countered by expansion economies
METROPOLITAN IS PERFORMING WELL

- Saleable coal produced was 0.7 Mt, down 14% on 1H 05 (due to longwall move in December)
- Sales of 0.7 Mt, down 7% on 1H 05
- Premium hard coking coal is being produced at superior margins
- Safety record is improving
- Ongoing cost pressures (steel, power, supplies)
- Minor dykes encountered in existing LW panel (anticipated well in advance) have marginally affected productivity…nuisance factor only
CHAIN VALLEY HAS RAMPED UP WITH THE 2\textsuperscript{ND} MINING UNIT

- Saleable coal production of 380,000 tonnes…up 71% compared to prior comparable period… a good effort in difficult conditions

- Development of the Fassifern Seam, ~30 metres below the Great Northern Seam, progressing well with first drift complete and second in progress

- New contract secured with Delta to supply 600,000 tonnes over 3 years, commencing in late 2005

- Chain Valley’s very low sulphur, ~0.33%, remains attractive to export customers
Excel Coal Marketing (ECM) formed in September

- Owned jointly by Excel (30%), Ross Crump (30%) and AMCI International (40%)
- Very experienced team in both thermal (Ross Crump) and coking coal (AMCI)
- Marketing agent for all of Excel Coal’s production as well as Whitehaven (AMCI)
- Enhances the value of Excel’s thermal coals by blending and trading third party coals

Significant new contracts:
- Taipower contract for 3 Mt (0.5 Mtpa) over six years
- Cargill contract for 1.8 Mt, spread over three years
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EXPANSION PROJECTS
GOOD PROGRESS BUT SOME DELAYS

- Wambo Rail Link
- Wambo Opencut
- Wambo Underground
- Wambo CHPP Upgrade
- Millennium
- Wilpinjong
- Cosila (Delayed)
- Metropolitan & Chain Valley

Timeline: Dec 2004 to Jun 2007

Forecast 6 months ago
WAMBO RAIL LINK
LOADOUT COMPLETED ON TIME & BUDGET
WAMBO RAIL LINK NEARLY FINISHED
FIRST TRAIN TO BE LOADED ON 24th APRIL
Six 290T trucks now in operation, remaining five to be in service by August

Tyres sourced for six trucks and allocation granted for the other five

Third excavator on site…due to dig next week

Smaller excavators and trucks to be stood down progressively
Development commenced as planned in Nov 2005 with hired gear...development is on track.

- Favourable mining conditions, with high energy, low ash Wambo Seam being produced.
- Orders placed with Joy for a 250m longwall and 2 continuous miners.
- One new CM now in production with the second CM to be commissioned next week.
WAMBO CHPP
FURTHER UPGRADE PLANNED IN 2006

- Upgrade raw coal handling plant
- New coal processing module
- Refurbish product stack-out
- Benefits compared to refurbishing old plant
  - Maximise value of North Wambo UG low-ash coal
  - Improved availability
  - Lower operating costs
- New capex of ~$25 million
MILLENNIUM PROJECT
THE RED MOUNTAIN JOINT VENTURE
Infrastructure (rail loop, dams, roads, power supply, etc) are essentially complete.

Mining started on schedule in Nov 2005 – all is going well.

Short term water supply is an issue, as for all Bowen Basin producers - we need rain.

CHPP has experienced a $65m capital over-run and 6 month commissioning delay.
MILLENIUM CHPP HAS BEEN A MAJOR HEADACHE...

- CHPP is well designed and will do the job ~1,200 t/hr (ie, 6 Mtpa product)
- Contractor’s lack of performance was a serious problem
  - Inadequate communication by contractor
  - Lack of detailed drawings for construction
  - Poor control of cost estimates, sub-contracts and procurement
- Contractor has since gone into Voluntary Administration…no significant repercussions to Excel
Excel took control of the job in January and our initial audit revealed delay of four months and cost over-run of $35m

Further detailed audit has increased our confidence, but indicates a further A$30m over-run is likely…ie, A$65m over budget

Final drawings have since been completed and the job is progressing well

Commissioning is scheduled to commence at end of May
WILPINjong
DEVELOPMENT ON TRACK

- Project Approval received from the NSW Minister for Planning on February 3rd
- Mining Lease granted by the NSW Minister for Primary Industries on February 8th
- Thiess construction contract commenced on February 13th
- First coal sales expected in January 2007
- Capital budget based on Guaranteed Maximum Price contract with Thiess
## EXPANSION PROJECT FUNDING

### CAPITAL EXPENDITURE ESTIMATE

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<th>($m)</th>
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<th>Remaining Spend</th>
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<tr>
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<td>32</td>
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<td>9.0</td>
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<td>Cosila</td>
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<td>5</td>
<td>3</td>
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<td><strong>Total</strong></td>
<td><strong>525</strong></td>
<td><strong>185</strong></td>
<td><strong>340</strong></td>
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- Total investment of $525m for ~16 Mtpa of new capacity. i.e. $33/t of capacity
- Expected timing: $180m in 2H 2006 and $160m in FY 2007

Note: Capex estimates and timing are indicative and represent current plans. Final capex and timing remain subject to factors outside Excel’s control.
Excel won Wilpinjong in an open tender

- Saleable reserves of 153 Mt of domestic coal and 37 Mt of export thermal coal at very low strip ratio
- Contract signed with MacGen for up to 7 Mtpa for 19 years from 2007
- Opportunity to export up to an additional 2 Mtpa (20% of annual production)
- Conventional mining with excavators & trucks
- Thiess contracted to build a new opencut mine & CHPP to produce up to 10 Mtpa of thermal coal (up to 7 Mtpa for MacGen, plus capacity for other NSW electricity generators and export)
WILPINJONG
DEVELOPMENT ON TRACK

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EXPANSION PROJECTS
WE WILL BE FULLY INVESTED IN 12 MTHS

- Wambo Rail Link
- Wambo Opencut
- Wambo Underground
- Wambo CHPP Upgrade
- Millennium
- Wlpinjong
- Cosila: Delayed
- Metropolitan & Chain Valley

Forecast: 6 months ago

Timeline:
- Dec 2004
- Jun 2005
- Dec 2005
- Jun 2006
- Dec 2006
- Jun 2007

Steady State Replacement Capital

← Steady State Replacement Capital →
EXCEL’S GROWTH PROFILE
WE NEED RAIL AND PORT CAPACITY

Coal Sales Plan by Mine

Export Coal Sales Plan by Port

Note: Growth tonnages are indicative and represent current plans. Final tonnage and timing remain subject to factors outside Excel’s control.
Excel’s expertise is in coal development, mining and marketing...we do not want to be in the infrastructure business.

But, rail and port capacity is an obvious necessity for growth.

Our priorities for infrastructure are:

1. Timely access to capacity…and
2. Minimum capital and operating costs… in that order

Long lead times for mining approvals and development mean infrastructure planning and investment must be visionary, not reactionary.

The cost of modest over-investment in infrastructure is insignificant, compared to the costs of not having sufficient capacity when needed.
WE ALL GOT IT WRONG ... A BIG ISSUE, ESPECIALLY FOR EXPANDING EXPORTERS

- After years of excess rail and port capacity, we were all surprised by the strength and speed of recent demand growth.

- The immediate consequence of rail and port congestion was very high demurrage costs—paid by exporters.

- Short-term operating changes have been made:
  - Quota systems – Newcastle and Dalrymple Bay
  - Better planning and coordination – eg HVCCLT

- But, commitment to capacity expansion has been a big issue
  - At DBCT, disagreements between B&B, exporters and QCA
  - At Newcastle, dissatisfaction among expanding exporters at the slow commitment by PWCS to capacity expansion
Excel Coal has a contract for 1.5 Mtpa from DBCT for our Millennium mine.

We have our place in the queue for additional DBCT capacity to allow Millennium to expand to 3 Mtpa.....due in 2008.

We are liaising with QR to encourage and support rail track capacity expansion for DBCT.

We are a shareholder at Port Kembla Coal Terminal (PKCT) and are supporting PKCT’s initiatives to increase throughput tonnage, improve productivity and reduce costs.
Excel Coal and most, if not all, Hunter Valley coal exporters are supporting the HVCCLT, which has achieved large increases in system capacity without capital investment.

Excel has invested in the 15 km Wambo rail spur. This has allowed Wambo to expand….and also improves overall Hunter rail system capacity by ~ 5 Mtpa.

We are working with ARTC to encourage and support rail track investment in the Hunter and to Ulan….which is underway.

We are continuing to work with PWCS to maximise our export capacity under the Capacity Distribution System.

We are participating in the Newcastle Coal Infrastructure Group (NCIG) which is building a third coal terminal at Newcastle Port.
NEWCASTLE COAL INFRASTRUCTURE GROUP
THIRD COAL LOADER
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**IMPACT OF $100M CAPITAL RAISING**

**STRONG BALANCE SHEET**

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<th></th>
<th>Reported</th>
<th>Proforma ($100m new equity)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Debt</strong></td>
<td>131.8</td>
<td>31.8</td>
</tr>
<tr>
<td><strong>Shareholders Equity</strong></td>
<td>273.1</td>
<td>373.1</td>
</tr>
<tr>
<td><strong>Gearing (Net Debt/Net Debt + Equity)</strong></td>
<td>33%</td>
<td>8%</td>
</tr>
</tbody>
</table>

- Low gearing (based on proforma balance sheet at 31 Dec 05)
- Available cash and undrawn facilities of $305m (based on proforma balance sheet at 31 Dec 05)
- Strong cashflow from operations expected over the coming 18 months
- Peak gearing not expected to exceed 45%
- Financial capacity to take on new opportunities
NPAT for first half FY 2006 consistent with guidance

Second half FY 2006 should be lower than prior expectation:

- As reported in January, Millennium delay means no profit contribution in FY 2006
- Previous assumption of roll-over of coking and thermal coal prices revised downward

Net result is revised FY 2006 NPAT guidance of $95 to $100 million
Our #1 priority is to deliver our expansion projects

Business climate for coal looks good

Main uncertainties/risks are:

- Timing and final capital cost of Millennium construction
- Contract coal prices for FY 2006
- Queensland water supply, pending Burdekin project
- Ongoing impact of cost increases (labour, fuel, materials)
- Managing business/community interface in NSW

We continue to seek opportunities for profitable growth via acquisitions or greenfield development projects