



Centennial Coal

Third Supplementary Bidder's Statement

by Centennial Coal Company Limited ABN 30 003 714 538

This document is a Third Supplementary Bidder's Statement by Centennial Coal Company Limited (**Centennial**) to its Bidder's Statement dated 9 March 2005 (the **Original Statement**) in relation to its offer (the **Offer**) under a takeover bid for all of the ordinary shares in Austral Coal Limited ABN 21 069 071 816 (**Austral**).

Centennial has also issued a Supplementary Bidder's Statement dated 23 March 2005 (the **First Supplementary Statement**) and a Second Supplementary Bidder's Statement dated 5 April 2005 (the **Second Supplementary Statement**). The Original Statement, the First Supplementary Statement and the Second Supplementary Statement were lodged with the Australian Securities and Investments Commission (**ASIC**) on, respectively, 9 and 23 March and 5 April 2005.

This Third Supplementary Bidder's Statement is to be read together with the Original Statement, the First Supplementary Statement and the Second Supplementary Statement and prevails over the Original Statement, the First Supplementary Statement and the Second Supplementary Statement to the extent there is any inconsistency between, on the one hand, this Third Supplementary Bidder's Statement and, on the other, the Original Statement, the First Supplementary Statement and the Second Supplementary Statement.

Unless the context requires otherwise, words and expressions defined in the Original Statement have the same meanings in this Third Supplementary Bidder's Statement.

This Third Supplementary Bidder's Statement was lodged with ASIC on 13 April 2005. Neither ASIC nor any of its officers takes any responsibility for the contents of this Third Supplementary Bidder's Statement.

1. **Announcement**

Attached as Annexure A to this Third Supplementary Bidder's Statement is an announcement made by Centennial on 13 April 2005 concerning the Offer, a copy of which is being sent to Austral shareholders who have not yet accepted the offer.

2. **Authorisation**

This Second Supplementary Bidder's Statement has been approved by a resolution unanimously passed at a meeting of the Directors of Centennial held on 13 April 2005.

Dated 13 April 2005.

Signed on behalf of Centennial Coal Company Limited by Robert Graham Cameron and Tony Macko, being respectively a Director and a Company Secretary of Centennial Coal Company Limited, who are authorised to sign by a resolution unanimously passed by the directors of Centennial Coal Company Limited.

Robert Graham Cameron, Director

Tony Macko, Company Secretary

13 April 2005

Dear Austral shareholder,

ONLY 7 BUSINESS DAYS LEFT TO ACCEPT CENTENNIAL'S OFFER FOR YOUR AUSTRAL SHARES*

Centennial Coal now controls Austral

Centennial Coal's merger with Austral Coal has been a resounding success. Last week Centennial gained control of Austral, following strong interest from Austral shareholders. Centennial now owns more than 67% of Austral as at 11 April 2005 with approximately 3,000 Austral shareholders having already accepted the offer.

Since the offer was announced on 23 February 2005, Centennial and Austral share prices have increased by 28% and 36% respectively, adding approximately \$330 million to the combined market capitalisation of the companies (all figures based on closing prices on 11 April 2005).

Austral's chairman and board of directors have accepted Centennial's offer for their own shareholdings and we urge you to accept now to participate in the future development of a great Australian coal company.

Accept the offer now to participate in the benefits

Centennial's offer for your shares in Austral is an exciting opportunity for you to retain your investment in the coal sector as part of a larger, stronger group.

By accepting the offer, you will receive 10 Shares in an expanded Centennial for every 37 Austral Shares you currently own. As well, the scrip-based structure of the offer means you may be able to receive CGT rollover relief on the offer consideration if Centennial acquires 80% of Austral (for further details, please refer to section 21.5 of Centennial's Bidder's Statement).

7 Business days left to accept Centennial's offer

*Centennial's offer is scheduled to close at 7:30 pm (Sydney time) on 22 April 2005 (unless extended). To accept the offer:

- CHESS holders – instruct your broker to accept.
- Issuer sponsored holders – fax your completed acceptance form (enclosed) to +61 2 8235 8212 or mail in the enclosed reply paid envelope.

Should you have any further questions regarding this offer, please contact the Austral shareholder information line on: 1300 302 126 (within Australia) or +61 2 9240 7464 (outside Australia).

Don't miss out

Once Centennial's offer closes, Austral shares are likely to become a relatively illiquid investment, making it difficult for you to realise your investment, which may in turn reduce its value.

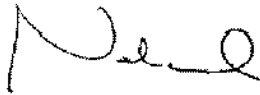
About Centennial

Centennial is one of Australia's leading coal producers and has a long track record of successful operational and financial performance. Austral shareholders who accept Centennial's offer will benefit from investing in a merged entity with 15 mines - Centennial's 14 New South Wales mines produce both thermal and coking coal and are complementary to Austral's single, hard coking coal Tahmoor mine.

Assuming Centennial acquires 100% of Austral, the enlarged company is expected to have a market capitalisation of approximately \$1.4 billion (based on closing prices on 11 April 2005). Raw coal production by the enlarged group in the year to 30 June 2006 is expected to be around 22 million tonnes.

Don't miss out - mail or fax your acceptance TODAY to secure your INVESTMENT in the future of a great Australian coal company.

Yours faithfully



Vincent H. Pandal
Chairman of Austral Coal Limited



Dr Kenneth J. Moss
Chairman of Centennial Coal Limited