

Waratah Coal
THE NEW ENERGY IN COAL

MAJOR PROJECT SUMMIT - BOWEN

Thursday 5th May 2011



Waratah Coal
THE NEW ENERGY IN COAL

- Mineralogy Pty Ltd
- Waratah Coal – Exploration and Coal Development Company
- Forty-One EPC & Seven EPM in QLD
- Two Developing Coal Projects in QLD
 - Styx Coal Project – Styx's Basin
 - China First Coal Project – Galilee Basin



Styx Coal Project Overview

Styx's Basin 170km South of Sarina

The project will deliver 1.0 Mtpa PCI and Thermal Coal

Project Exploration and Feasibility phase Q1 2011

First Production is planned for 4Q 2012

The project involves construction of:

- Small scale surface mine
- Rail siding to North Coast QR network
- Utilising existing ports of Dalrymple Bay and Abbot Point

Styx's Coal Project is a joint venture QNI & WC



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 Mineralogy Pty Ltd

EPC 1029 STYX COAL PROJECT

LOCATION PLAN

China First Coal Project Overview

China First is an integrated development project of mine, rail and port.

The project proposes the delivery of 40 Million tonnes of high quality export coal pa

The project involves construction of:

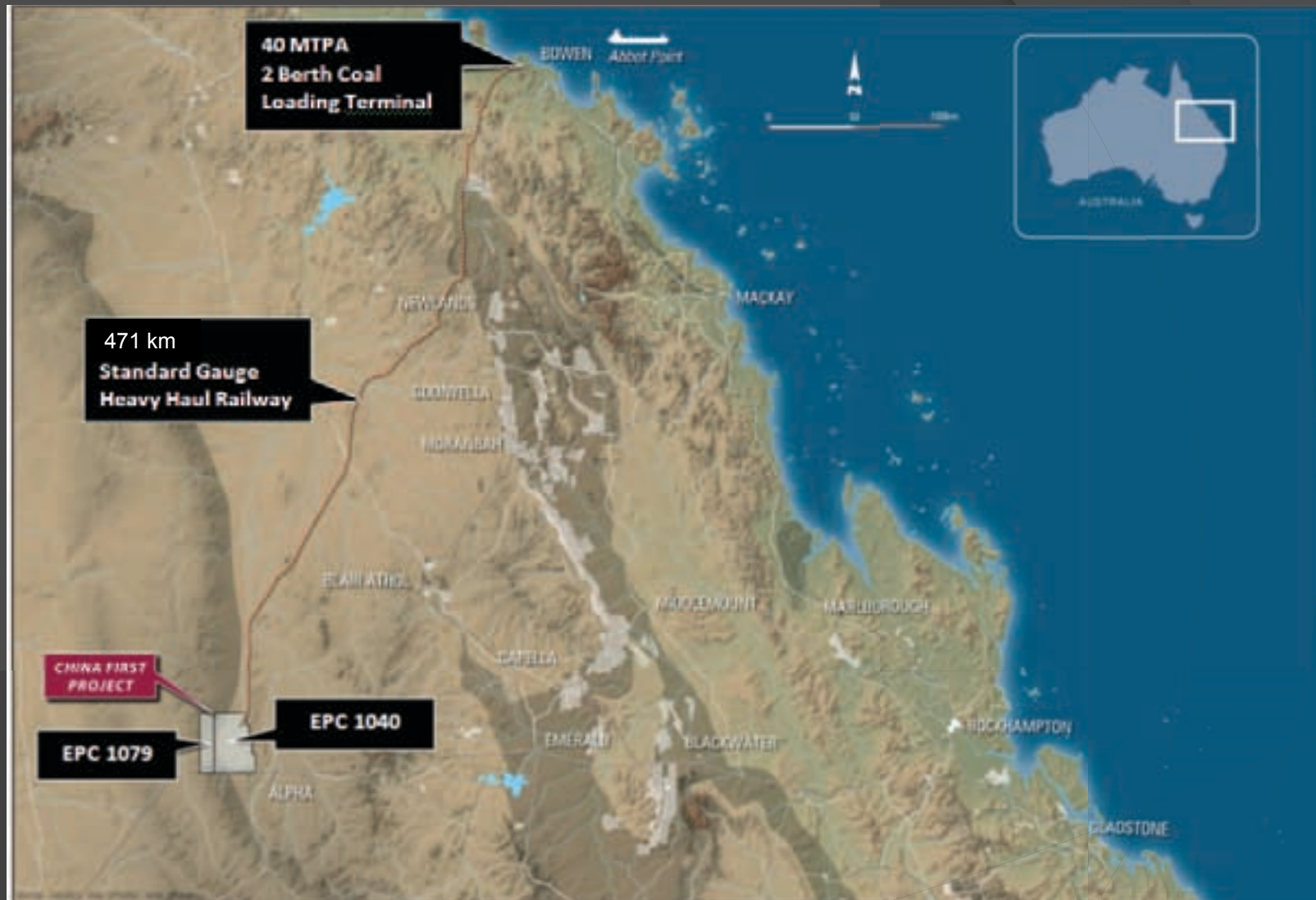
- Mine - Surface and underground mines and supporting infrastructure
- Rail - 470km of Standard Gauge Heavy Haul Railway
- Port - 40 Mtpa Port Facility
- Cost - Estimated at US\$8.0 Billion
- Mining Right – Waratah Coal Pty Ltd has given China First Pty Ltd, right to mine from

Project detail design phase commence 1Q 2011

First Production is planned for 4Q 2014



China First Project Overview



Resources and Reserves

Project area is across EPC 1040 and part of EPC 1079.

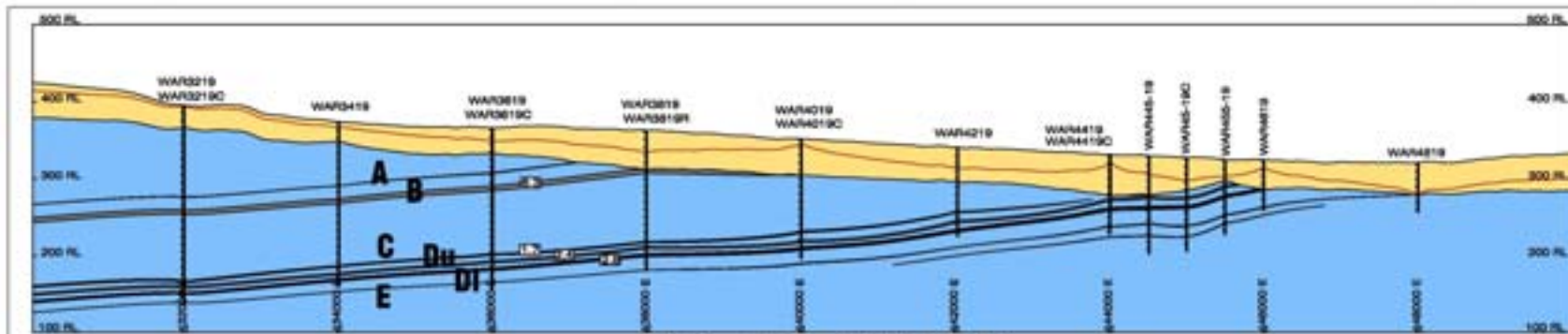
Coal resources total 3.684 Billion tonnes and comprised the following JORC compliant resource categories:

- 1,975 Million tonnes measured resource
- 569 Million tonnes indicated resource
- 1,140 Million tonnes inferred resource

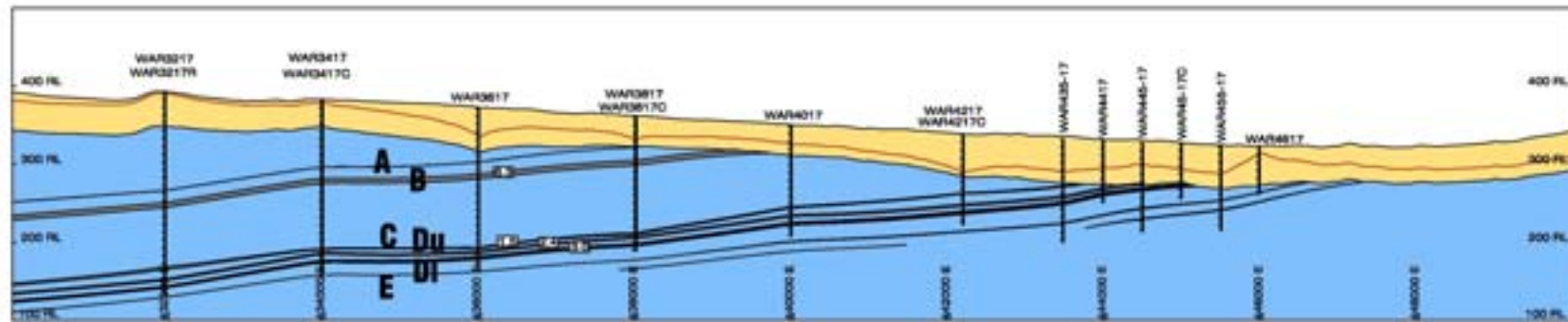
Coal Reserves total approximately 1.105 Billion tonnes of JORC compliant reserves.



Typical Geological Sections



Section A-A' (N 7 419 000)



Section B-B' (N 7 417 000)

Vertical Exaggeration 1:10

WAR44-15 Bore Hole Number



Vertical Scale
10m Increments



Coal Bearing
Permian Age
Sediments



Unconsolidated
Cainozoic Aged
Sediments



CHINA FIRST

Developing the Galilee Basin



Proposed Surface Mining

Open Cut (ROM) production of 20 Mtpa:

- Two open cut pits in C and D seams
- Two open cut pits in B Seam

Mining operation by:

- Pre stripping by scrapers and dozer
- Overburden removal by dragline and truck & shovel fleets
- Mining by truck and excavator fleets.



Pre strip operation commences in Q4 2013

Anticipated first production in Q4 2014

Proposed Underground Mining

Underground Longwall (ROM) production of 36 Mtpa:

- Three longwall in D seam horizon
- One longwall in B Seam horizon

Each longwall on average will produce 9 Mtpa

Unstructured geology provides an excellent mining opportunity.

Underground development commences Q2 2013

First Longwall production in Q4 2015



Proposed Coal Preparation Plant

Two Coal Handling Processing Plants

Raw coal processing capacity of 56 Mtpa.

Product coal production of 40 Mtpa.

Each plant contains:

- Four modules, 1,000 tph
- Total installed capacity 8,000 tph
- Operating 7,000 hours pa
- Processing Capacity 56 Mtpa

System Design:

- primary, secondary and tertiary sizing at each mine
- dense medium cyclones – coarse circuit
- spirals – fines circuit
- dry paste rejects and Co-disposal tails system



Proposed Rail System

Rail Infrastructure

- Total railway length of 447 km between the mine and Abbott Point
- Heavy haul 1,435 mm standard gauge rail system:
 - 20,000 tonnes per train
 - 25,000 tonnes gross per train
- 6 x complete train sets each comprising:
 - 3 HXN3 locos
 - 250 C80 wagons
- 25 tonne axle loading
- Maximum gradient against loaded train 1:200
- Maximum operational train speed:
 - 80 km/h loaded
 - 100 km/h unloaded.
- Infrastructure Facility of Significance May 2011



Proposed Coal Terminal

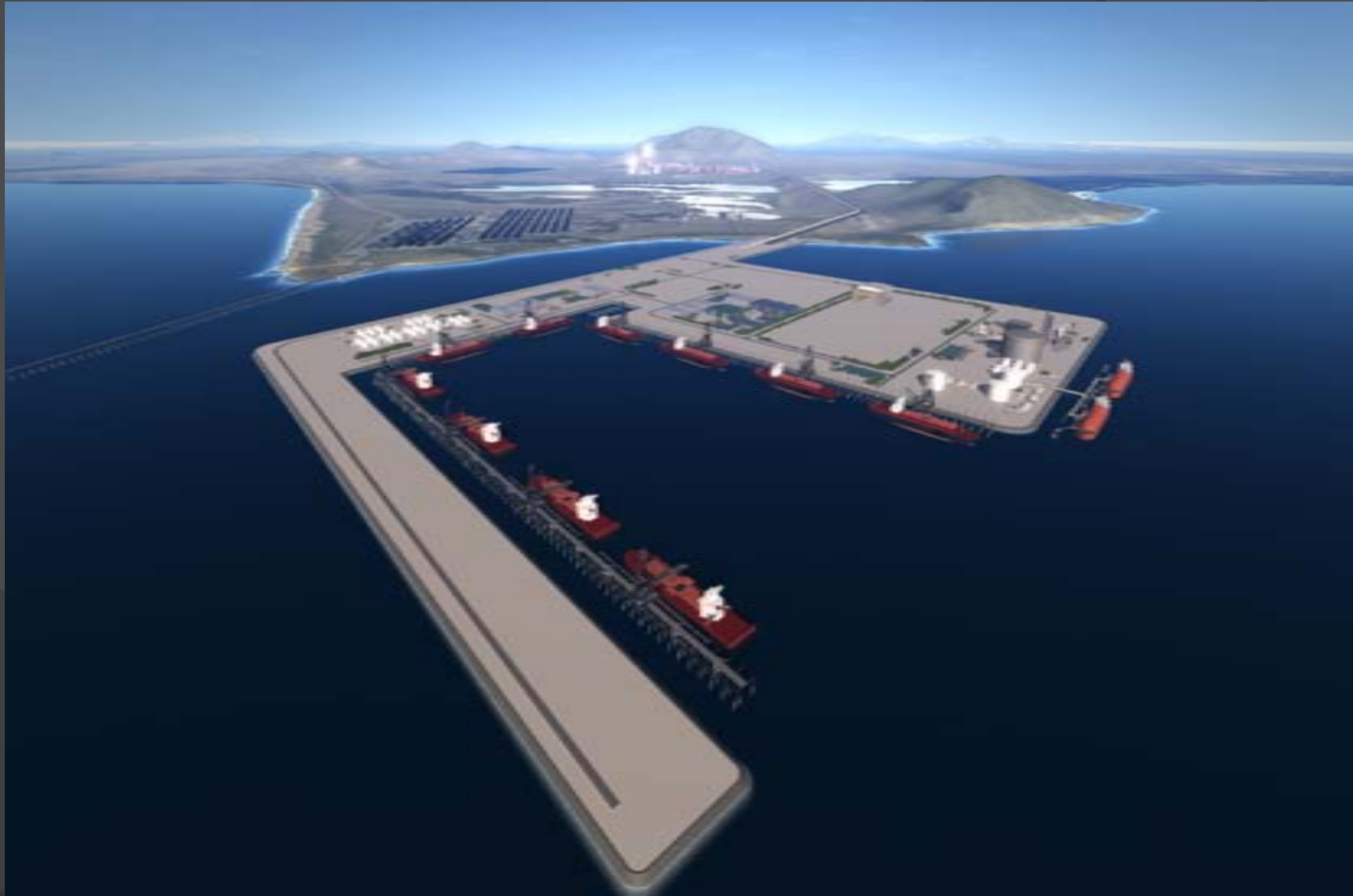
New export facilities to be located within APSDA

The coal terminal:

- Rail - Triple Wagon Rail Tippler 6000 tph
- Stockyard - 2.0 Mt stockyard - 5% footprint
- Port – Two ship berths with 8,000 tph ship loaders
- Capacity for 200,000 dwt Cape size vessels.



Abbot Point Port – Existing and Proposed Facilities



China First Agreements - MCC & SOE'S

- Metallurgical Corporation of China Ltd (MCC) is one of China's leading industrial construction companies
- MCC is the principal EPCM contractor for the entire China First Project, 29th January 2010
- Subcontractors include some of China's biggest corporations
 - Sino Coal International Engineering Group, January 2011
 - China Railway Group Ltd (CREC), 19th January 2011
 - China Communications Construction Company Ltd (CCCC FHC), 10th August 2010
- MCC have arranged funding for 70% of capital cost for the China First Coal Project with EXIM Bank.
- Coal off take agreements
 - China Power International Holding, 20 Mtpa for 21 years, 1st November 2010
 - Vitol SA Group, 20 Mtpa for 20 years, 15th September 2010



Economic Analysis Aug 2010 – AEC Pty Ltd

- Export revenues of **\$4.6B pa** (40 Mtpa).
- Increase in employment QLD of approximately **3,000 FTE pa** first three years construction
- CFP estimated to support **4,000 FTE** positions pa during operations
- Increase QLD Govt revenues of approx. **\$365 m**, primarily in royalty payments
- Increase Australian Govt revenues of **approx. \$710 m**, company, personal & GST



Initial Social Analysis dated Nov 2010 – SIA and Development Pty Ltd

- **Community support** - Waratah Coal and other resource companies would coordinate with council and residents opportunities to contribute to local government development planning
- **Employment and contracting** - local preference, when possible, for employment and contracting opportunities, and monitor change over time
- **Government contributions** - Possible government interventions to promote sustainable resource communities include
 - the establishment of additional Urban Development Areas in locations of Alpha, Bowen and Emerald,
 - an emergency health response capacity in the region, and
 - on-site accommodation at regional TAFE traineeships.

Environmental Approvals

Approvals are required from the Commonwealth and Queensland Governments.

The key approvals required for the project are:

- Commonwealth approval under the *Environment Protection and Biodiversity Conservation Act 1999*
- State approval under the *State Development and Public Works Organisation Act 1971*
- EIS lodged Q1 2011, Public review Q2 2011
- Specific licences to operate the facilities will be sought once all environmental approvals are obtained, Q1 2012

Project Approvals & Timelines

Project announced 2008

EIS submitted to Government February 2011

Public review of EIS expected to commence in Q2 2011

IFS in progress and due for submission to Government May 2011

CHMP and Native Title agreements Q3 2011

Government approvals sought Q1 2012

Project design phase commence Q2 2011

First Production is planned for Q4 2014

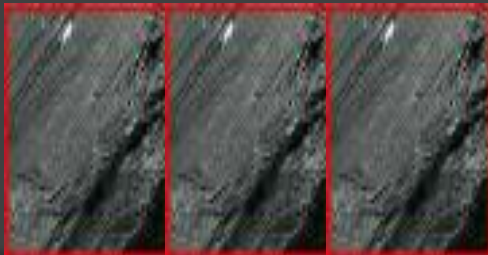




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Thank You



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