



**HD Major Thermal Coal Projects in NSW (2)**

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**LP**

<> **China** First Project

**China** First project aims to exploit several unexplored **mining** areas in the Gulilee Basin and export thermal coals produced at these **mining** areas to **China** and other Asian countries. The interest in this project is wholly owned by Waratah **Coal** Pty Ltd., an unlisted **company** led by Mr. Clive Palmer, one of the rich men in Australia.

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**China** First project aims to exploit 2 opencast **mining** areas and 4 underground **mining** areas as well as build two large-size **coal** handling and preparation plants (CHPP). All of the underground **mining** areas are to be operated by a longwall (LW) **mining** system. The production volumes of raw **coal** at each opencast **mining** area and each underground **mining** area are 10Mtpa and 9Mtpa respectively, and after the exploitation of these **mining** areas finishes, the production volume of raw **coal** will reach a total of 56Mtpa.

The preparation capacity of raw **coal** at CHPP is 56Mtpa in total (28Mtpa x 2 plants), and the **coal** preparation yield is about 72%. So, the production volume of saleable **coal** will be 40Mtpa on a full-scale production basis.

What's more, as part of **China** First project, a total length of 453 km railway for **coal** transportation will be constructed newly in order to transport thermal coals produced at aforementioned **mining** areas to the port of Abbot Point, and a large-scale **coal** terminal will be built at this port for exclusive use of **coal** loading.

Waratah **Coal** has a thought of starting **coal** production from **China** First project in the 2nd quarter of 2017 upon the **acquisition** of various permits and license from the State of QLD, etc.

However, in the middle of June 2014, the QLD State Government decided not to approve the railway project planned by Waratah **Coal**. As the development of large-scale **coal** mines and the construction of railway and **coal** terminal are integrated with each other, unless the **coal** shipping routes is secured, it will be difficult to start large-scale **coal** mines with a **coal** production capacity being 40Mtpa.

Therefore, unless the railway project is approved, Waratah **Coal** will have no other choice but to put Chian First project itself on the shelf. Because of that, the **Company** has adopted a stance to file an action against the QLD State Government in order to bring this railway project into shape.

<> Carmichael Project

Carmichael project aims to exploit Carmichael **mining** area (EPC 1690), an unexplored thermal **coal** **mining** area in the Gulilee Basin, and export thermal **coal** produced at this **mining** area to India, etc. from the port of Abbot Point. The interest in this project is 100% owned by Adani **Mining** Pty Ltd., a wholly owned subsidiary of Adani Group.

After obtaining the permits and licenses from the State of QLD, etc., Adani Group has a thought of starting **coal** production from Carmichael project within 2016. Firstly, the opencast **mining** area will be exploited, and 2Mtpa of thermal **coal** will be produced.

Furthermore, Carmichael project aims to expand the opencast **mining** area as well as exploit the underground **mining** area, and the production volume of thermal **coal** will go up to 60Mtpa from 2022

onwards. This thermal **coal** is supposed to be consumed at **coal**-fired thermal power plants in India run by Adani Power Limited.

For the purpose to export thermal **coal** produced from Carmichael project from the port of Abbot Point, Adani Group plans to build about 300 km railway for **coal** transportation linking its own **coal** mine to this port and construct a new **coal** terminal (T0) with a maximum of 70Mtpa of **coal** exporting capacity at this port. The total project cost inclusive of infrastructures is A\$16.5 **billion**. The construction of railway for **coal** transportation has 2 phases, and in the first phase, a 189 km railway linking its own **coal** mine to the existing railway will be built.

Carmichael project was approved by the QLD State Government on 8 May 2014 and then by the Federal Government on July 28. Furthermore, the QLD State Government approved the plan for construction of railway for **coal** transportation related to this project on August 14.

And, on August 8, Adani Group decided to **purchase** the royalty for Carmichael project from Linc **Energy** Ltd. for A\$155 **million**.

In this regard, when Linc **Energy** sold a 100% interest in Carmichael project to Adani Group on 10 August 2010, the **Company** acquired a right to receive A\$2 per ton of **coal** as a royalty for the period extending to 20 years after commencement of **coal** production from this project.

(to be continued)

**IN** i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying  
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