

SE News
HD **Queensland to invest in Galilee rail project to carry coal to Abbot Point**

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The government of the Australian state of Queensland is to invest an unspecified amount into a new railway to carry coal from mines located in the under-developed Galilee Basin coal field to Abbot Point port, said Queensland premier Campbell Newman in a statement Monday.

The railway will benefit Indian companies Adani and GVK which have mine projects in the Galilee that need rail infrastructure access to coastal ports located 400 km away.

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"Today, I announced that the state government is prepared to take a short-term, financial stake in the rail, port or other infrastructure needed to open up this region to create jobs Queenslanders need," said Newman.

The Brisbane-based state government was prepared to sign agreements with Galilee Basin coal companies who could demonstrate they could meet the majority cost of providing common-use infrastructure, he said.

Adani, the proponent for a 60 million mt/year thermal coal export mine in the Galilee Basin with an investment of A\$16.5 billion (\$14.5 billion), is the first beneficiary of the Queensland government's infrastructure investment for its required rail line to Abbot Point port, said the government statement.

"The Carmichael project could create almost 6,500 jobs and this agreement will see the Queensland government invest in the rail line needed to carry coal to port," said Newman.

Adani's Australian unit, through its chief executive Jeyakumar Janakaraj, said the Indian company was building its future in Queensland, "with several billion dollars in investments already made across the company's integrated mine, rail and port project," according to the statement.

Similar infrastructure agreements are expected to follow with other Galilee miners, said deputy premier Jeff Seeney.

Waratah coal project 'ignored'

Another Galilee Basin coal mine proponent, Clive Palmer, questioned the Queensland government's decision to provide taxpayer funding for infrastructure that will benefit Adani.

"Queensland and Australian companies have been ignored while the Newman government desperately tries to rescue the untapped Galilee Basin coal region," said Palmer.

The Australian billionaire and MP said his own company, Waratah Coal's Galilee Basin coal project — the A\$6.4 billion China First mine — had been "ignored" in terms of assistance from the Queensland government, even though the project was underwritten with A\$10 billion in funding from Credit Suisse bank's Singapore branch.

The Queensland Resources Council, the representative body for **coal** miners in the Australian state, said in a statement the Newman government's infrastructure agreement with Adani would help kick-start development of the Galilee Basin **coal** field.

"It's a combination of hard-headed commercial investment and a visionary approach to securing long-term benefits for the state," said QRC chief executive Michael Roche.

India's State Bank has extended a \$1 **billion** line of credit to Adani for its Galilee **coal** project which is due to export its first shipments of **coal** in 2017, said the QRC statement.

Separately, Australian media reported Friday that Hancock Prospecting, a 21% partner in Indian **company** GVK's Alpha and Alpha West projects in the Galilee **coal** field, had written down to zero the value of a A\$656 **million** payment outstanding on the **sale** of the projects three years ago.

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