



Update on Infrastructure Improvements in NSW

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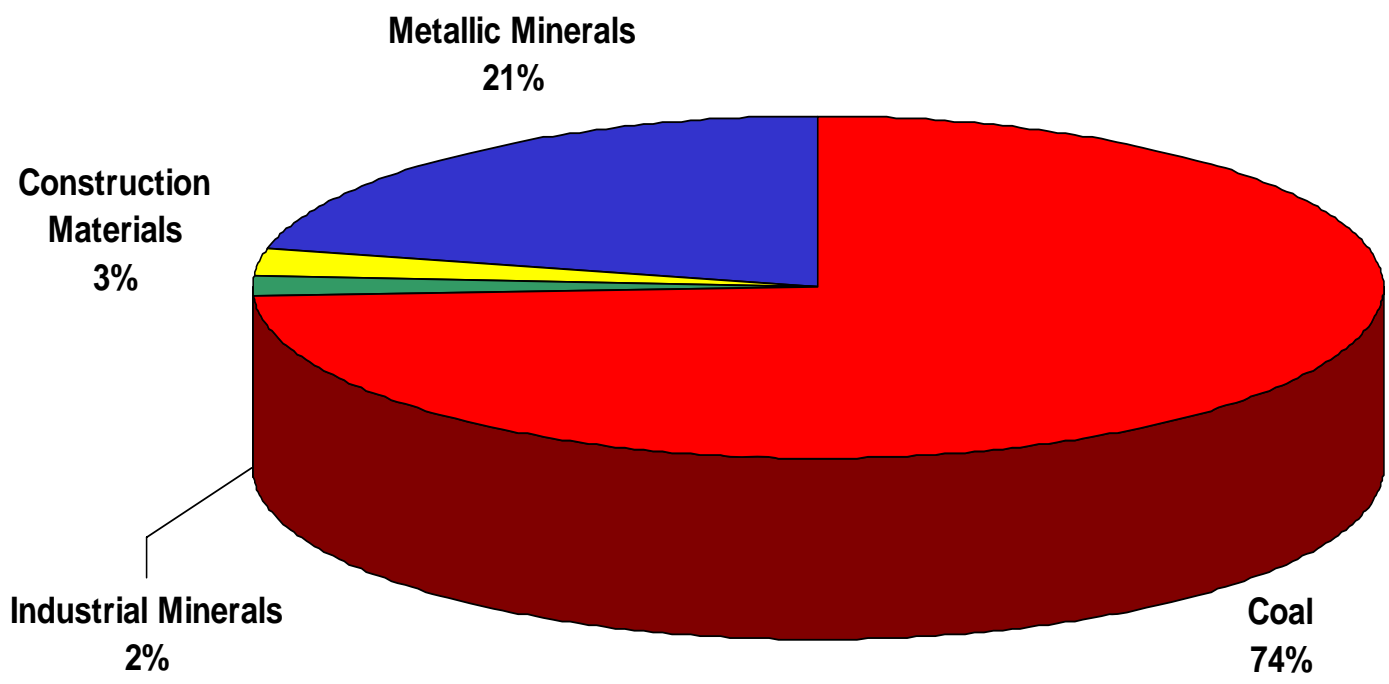
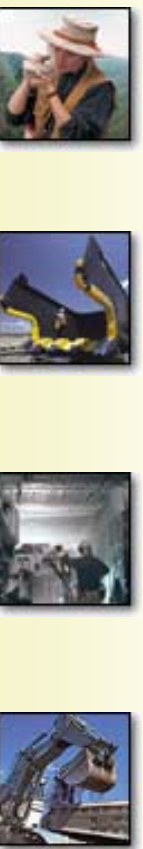
Principal Adviser Coal and Strategic Projects
NSW Department of Primary Industries

Australia-Japan Coal Technology Workshop
Friday 26 June 2009





Value of NSW Mineral Production 2007-08



Total A\$14.0 Billion



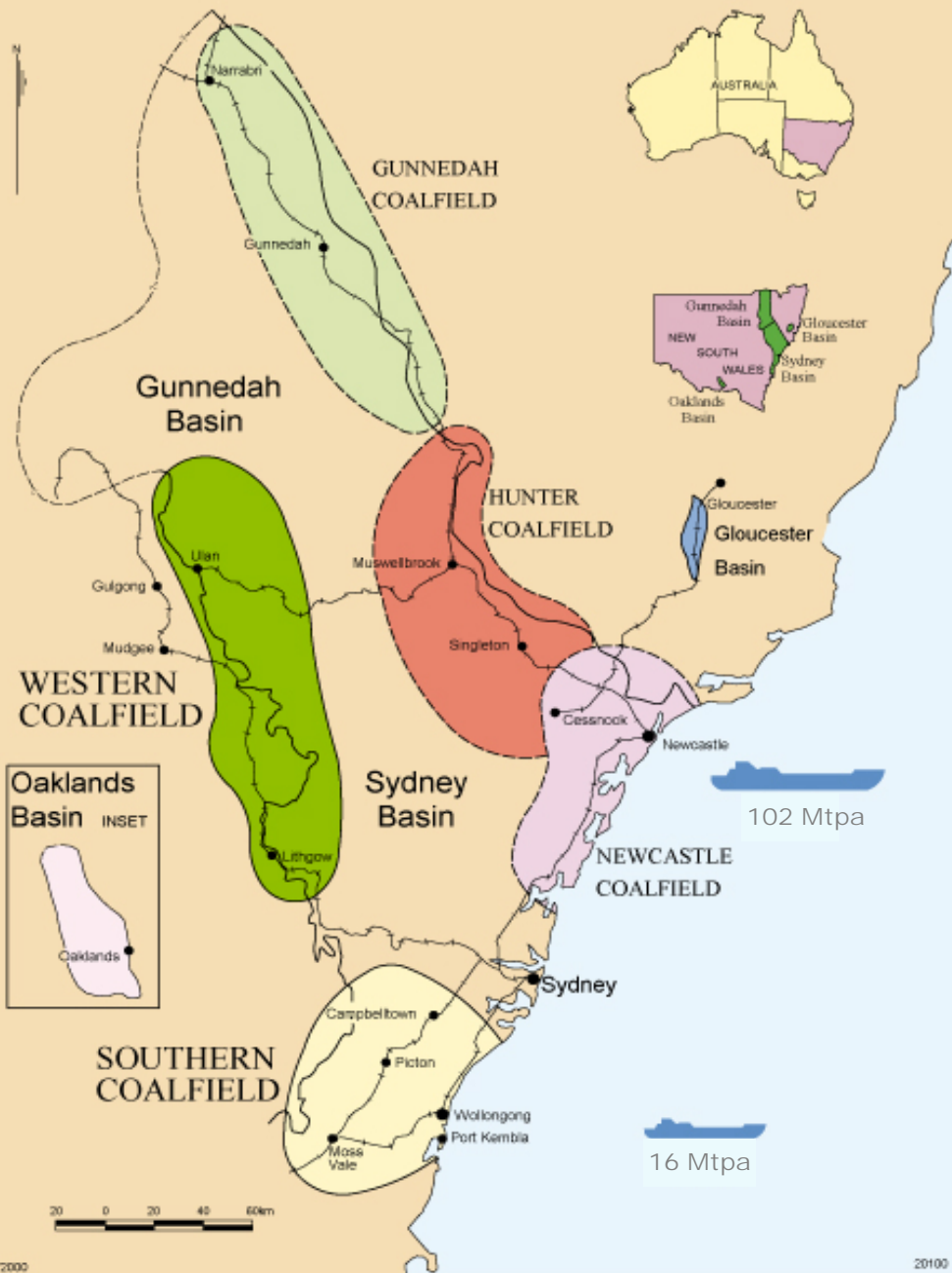
MAJOR WORLD COAL EXPORTERS 2007



Million tonnes

1.	Australia (NSW 40%)	244
2.	Indonesia	202
3.	Russia	100
4.	South Africa	67
5.	Columbia	67
6.	China	54

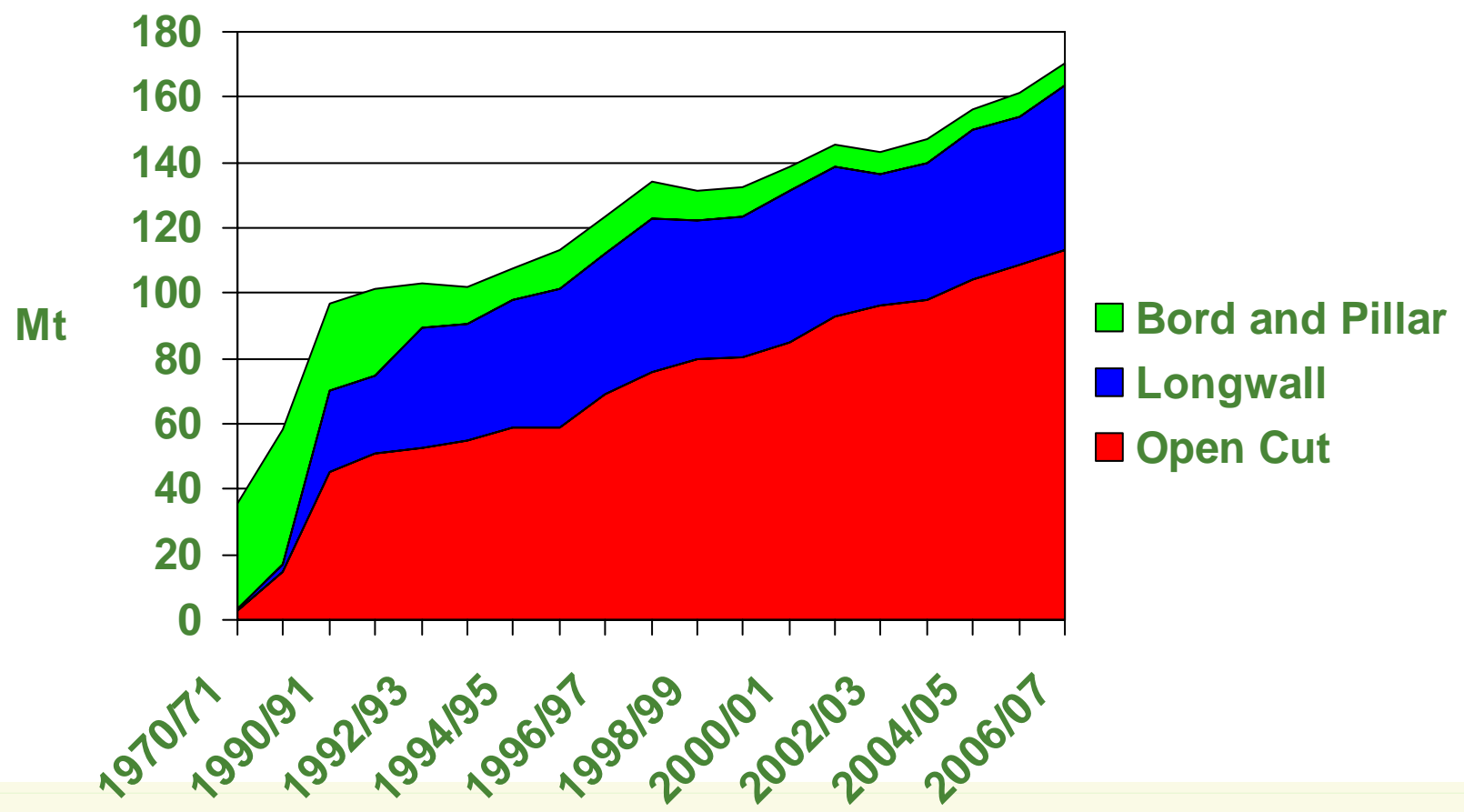
COALFIELDS OF NEW SOUTH WALES



2007-08
NSW Saleable Coal
Production: 135 Mt
NSW Coal Exports
Total 100.5 Mt
Thermal 75.1 Mt
Coking 25.4 Mt



RAW COAL PRODUCTION BY MINING METHOD





Coal Demand Predictions*

In the period between 2004 and 2030:

- World thermal coal import demand is forecast to increase at a rate of 2.6% per annum.
- World metallurgical coal import demand is forecast to increase at a rate of 1.4% per annum.
- A significant proportion of this growth is expected to come from Asia.
- NSW is well placed to meet the forecast coal demand growth in the Asian region.

*Institute of Energy Economics, Japan 2007





Newly Operating Coal Mines in NSW



Mine	Coalfield	Capex (\$M)	Prod (Mtpa)
Abel	Newcastle	83	4.5
Rocglen	Gunnedah	35	1.5
Sunnyside	Gunnedah	15	1.0
Wongawilli	Southern	NA	2.3



Major New Mines Under Construction

Mine	Coalfield	Capex (\$M)	Prod (Mtpa)
Mangoola	Hunter	1100	10.5
Moolarben (Stage 1)	Western	405	12.0
Mt Arthur U/G	Hunter	320	8.0
Narrabri (Stage 1)	Gunnedah	140	2.5





Future Major Coal Project Development in NSW

- Airly
- Awaba East
- Blakefield South
- Carroona
- Mt Pleasant
- Saddlers Creek
- Wallarah No.2
- Watermark





Proposed Major Expansions to Existing Coal Mines

- Ashton SE Open Cut
- Austar Stage 3
- Bulli Seam Operations
- Integra - Camberwell & Glennies Ck
- Metropolitan
- Moolarben Stage 2
- Mt Arthur Open Cut Consolidation
- Narrabri North Stage 2
- NRE No 1
- Ravensworth Operations Project
- Ulan Continued Operations Project





Proposed Coal Mine Developments

- If all these major projects and extensions were to proceed they would involve cumulative capital expenditure of more than \$5 billion and add an additional more than 70 Mtpa of production.





Coal Exploration Licences

- * Exploration Licences awarded for new stand alone coal areas in NSW are usually done by competitive Expression of Interest or Tender.





Allocation of New Coal Areas in NSW

- In June 2009, the NSW Government announced the re-release of the Ridgeland and East Bargo coal exploration areas for Expression of Interest.
- Both areas are expected to contain significant high quality coal resources.
- The information booklets are available on the Departments' website:
www.dpi.nsw.gov.au/minerals





Newcastle Port Expansion

- In April 2007, the NSW Government approved plans for PWCS' expansion of the existing Kooragang Coal Terminal to 120 Mtpa and for the Newcastle Coal Infrastructure Group's (NCIG) 66 Mtpa new coal export terminal.
- Total coal export capacity at the Port of Newcastle could potentially exceed 200 Mtpa.





Newcastle Port Expansion

- Construction is well advanced on the first stage (30 Mtpa) of NCIG's new coal terminal.
- First coal shipment expected March 2010.
- PWCS plans to have the first stage expansion of Kooragang Coal Terminal operating in the final quarter of 2009.
- Port capacity at Newcastle will increase to over 140 Mtpa by 2010-11.





Newcastle Port Expansion

- The NSW Government is working with coal producers and the port authorities to implement a long term access framework at Newcastle.
- This includes:
 - i. a proposal for a 4th coal terminal.
 - ii. And ensuring fair access to coal loading facilities for new entrants.
- Long term, port capacity at Newcastle could potentially reach 300 Mtpa.





Rail Improvements

- ARTC will undertake capital works to upgrade the capacity of the Hunter rail infrastructure.
- ARTC expects to spend around \$1 billion over the next five years to lift the Hunter's coal rail capacity to meet expected future volume growth.
- This Strategy encompasses two very large projects, a new alignment on the Liverpool Range, and a third road between Minimbah and Maitland.





Rail Improvements

- Coal rail haulage services in NSW are currently provided by Pacific National (PN) and Queensland Rail.
- PN is currently responsible for hauling around 85% of NSW coal.
- In 2007-08 PN invested over \$54 million on new wagons and locomotives to service rail haulage volume growth.





Thank you