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Queensland Government Declares Waratah Coal's \$5.3b Mine, Rail and Port Project a project of "State Significance"

The Queensland Government today announced support for what is likely to be Australia's largest coal project with a proposed \$A5.3 billion mine, rail and port development in Central Queensland.

The Company is proposing a thermal coal mine in the Galilee Basin linked by a new 495km rail line to a purpose-built export facility on the Central Queensland Coast.

Waratah Coal CEO and President Peter Lynch said the new infrastructure would ease costly bottlenecks at Queensland ports and ensure the Australian coal industry remains competitive "long into the future".

"The Galilee Basin is a project of national significance and an investment in the competitiveness of Australia's coal industry," he said. "Not only does this project deliver a significant new coal province, the infrastructure will unlock the full potential of the Bowen Basin."

Waratah Coal expects the project will be of enormous economic benefit to local communities with more than 2000 jobs created during construction and more than 700 permanent positions.

Mr Lynch said drilling in Waratah's tenements in the Galilee Basin to date has inferred thermal coal resources of more than four billion tonnes.

"The Galilee Basin is Australia's biggest undeveloped coal province," Mr Lynch said.

"This is essentially a 50 to 100 year project."

Premier of Queensland, the Hon. Anna Bligh MP, today gave her support to the Waratah Coal proposal and declared it a "significant project", which assists with the fast-tracking of critical infrastructure projects.

Ms Bligh said Waratah Coal would now be required to undertake an assessment of the environmental impacts of the project. This assessment will be supervised by the Co-ordinator General on behalf of the Government.

Waratah Coal is working with the Department of Defence to conduct studies on the use of the southern end of the Shoalwater Bay Military Training Area.

Under the arrangement, the Company will undertake structural, engineering and environmental studies of the Defence Department sectors which are within the proposed rail corridor and port area.

Mr Lynch said: "Waratah Coal will be in a financial position to establish the new rail and port infrastructure. We are currently in discussions with a range of prospective partners and potential third party users of the rail and port facilities."



He said demand for thermal coal, particularly from China, India and South-East Asia, is expected to increase over the next two decades.

"The Galilee Basin project will have a huge resource of high quality thermal coal, which will support a low-cost, high production mine that will be viable even if prices retreat from current levels," he said.

"This project will have the tonnage to support a new port and railway, we're not looking to the Government to pay for that.

"The projected export capacity is 50 million tonnes per annum with the first coal shipment expected in late 2012."

Coal will be sourced from an open cut mine near Alpha in the Galilee Basin, west of Emerald.

Waratah Coal will establish infrastructure to meet operational requirements, including water and power supply infrastructure as well as construction camps.

Mr Lynch said the proposed port was the most attractive natural deepwater port location on the Queensland coast and the facility would be built to accommodate the new 350,000 deadweight tonne Chinamax class bulk carriers.

He said being declared a "significant project" by the Queensland Government meant the Waratah Coal Project would require an Environmental Impact Statement (EIS).

"Community information sessions will be held at several venues throughout Central Queensland and will provide an opportunity to meet members of the EIS project team and learn more about the project," he said.

"Waratah Coal is committed to community engagement throughout the project's development and will introduce a comprehensive schedule of stakeholder consultation to actively pursue input and feedback from key interest groups."

He said Waratah Coal was committing funds to research carbon emissions from both the construction and operation of the Galilee Basin project and the use of its outputs.

"Within the coal sector in Australia there's a great determination to take on the challenge of reducing greenhouse emissions and ensure that coal remains the most attractive and viable energy source of the future," he said.

"Emissions will be constantly monitored while possible offset strategies could include carbon sequestration and investment in carbon sink opportunities.

"In fact, the CSIRO, has described the Galilee Basin is a prime location for a carbon-capture power generation project."

Waratah Coal is listed on the Toronto Stock Exchange (TSX) in Canada and is preparing an application for dual listing on the Australian Stock Exchange (ASX). ABN AMRO Morgans have been appointed Sponsoring Broker to assist Waratah's ASX dual listing.

"While we're listed on the TSX our shareholders are spread evenly between Australia and North America," Mr Lynch said.



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