

ASX Release

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NZ\$420 Million Contract Takes Work on Hand to \$2 billion for Henry Walker Eltin

Henry Walker Eltin has secured a new NZ\$420 million contract with Solid Energy New Zealand Ltd for coal mining operations at its Rotowaro Opencast Mine in the North Island, taking the company's work on hand to over \$2 billion.

The seven and a half year contract involves the mining of overburden, the mining, washing and blending of coal, and the environmental management and rehabilitation of the mine site. Having operated the Rotowaro Mine for Solid Energy since 1998, HWE Mining has been awarded the contract for the next stage of mining services.

Solid Energy, New Zealand's leading producer and distributor of high quality coal for export and for New Zealand markets, operates underground and opencast mines on the West Coast, in Southland and the Waikato at Huntly.

The majority of the coal from the Rotowaro Mine goes to Solid Energy's customers, Genesis Power Limited and New Zealand Steel Limited. Genesis Power Limited owns and operates the Huntly Power Station, the largest power station in New Zealand.

Chief Executive Officer and Managing Director Bruce James said, "This new contract is testimony to our strong capabilities in the coal sector and our commitment to growing our coal operations, both in Australia and for our international clients.

"Late last year, we secured a \$200 million contract with White Mining for its Ashton coal project in the Hunter Valley, which added to our existing Gloucester Coal operations in New South Wales.

"The current and forecast strength of the coal market is presenting some excellent opportunities for further expansion of our coal operations, complementing the breadth of our total mining operations, which, in addition to coal, are mostly across the iron ore, gold/copper, bauxite and nickel sectors."

A further \$300 million of potential new contracts is currently under final negotiation.

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