



MEDIA RELEASE

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Approval of Bengalla Expansion

Coal & Allied and its joint venture partners Wesfarmers (40%), Mitsui (10%) and Taipower (10%) have reached agreement on a \$141 million expansion (100% basis) of the Bengalla mine site.

The expansion will increase Bengalla's capacity from the current run of mine (ROM) production rate of 7.8 million tonnes per year to 9.3 million tonnes per year.

The agreement follows completion of a feasibility study into an expansion of the existing open cut thermal coal mine at Muswellbrook, and with increasing capacity in the Hunter Valley Coal Chain after this year's introduction of a long term port access framework.

The expansion will include an upgrade to the site's coal handling and preparation plant to allow for two-stage washing, together with the upgrading of infrastructure and the purchase of additional mining equipment.

Coal & Allied Managing Director, Bill Champion, said: "This investment is an important component of Coal & Allied's plans to expand production at all of its operations in the Hunter Valley. We have secured additional port and rail capacity for this expansion, which is scheduled for completion in the first quarter of 2012."

A feasibility study for a second stage expansion to increase production to the currently consented rate of 10.7 million ROM tonnes per year is underway.

Coal & Allied manages the mine on behalf of the joint venture participants.

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