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Whitehaven Coal reports record half year 2017 profit of $257 million

Whitehaven Coal Limited has reported a net profit after tax of $257.2 million for the half year ended 31 December 2017. Gross revenue increased by $322.9m to $1,146.4m for the period.

The Company said that the increase was driven by the substantial increase in A$ realised prices to an average of A$124/t in H1 FY2018 up from A$106/t in H1 FY2017, with the increase in sales volumes from 7.8 million tonnes (Mt) to 9.2Mt also contributing.

Whitehaven Coal Managing Director and CEO Paul Flynn said: “It is pleasing to report a record first half-year profit which represents the culmination of a growth strategy that has been in place for a number of years.”

“Firstly, the development of the Narrabri underground mine set the company on a growth path, followed by the development of the Maules Creek open cut mine which added significant production to the portfolio,” he said.

“At the same time, the successful reduction in costs across the entire Whitehaven business and recent higher coal prices have enabled the company to generate this great result.”

Mr. Flynn also said that the Company continues to see strong interest from potential new customers throughout Asia, with many seeking Whitehaven’s high quality coal for their power stations and steel mills – either planned, under-construction or newly built.

During the period, mining recommenced at the Sunnyside open cut mine to fully rehabilitate the site while extracting the remaining 0.8Mt of coal. Mining is planned to be completed in CY2019.

Tarrawonga, Rooglen and Werris Creek (the Gunnedah open cuts) produced a total of 2.2Mt ROM coal for the half year, 7% lower than in the previous corresponding period (pcp).

<table>
<thead>
<tr>
<th>Open Cuts 100% (000’s t)</th>
<th>H1 FY2018</th>
<th>H1 FY2017</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROM Coal Production</td>
<td>2,161</td>
<td>2,313</td>
<td>(7%)</td>
</tr>
<tr>
<td>Saleable Coal Production</td>
<td>2,518</td>
<td>2,132</td>
<td>18%</td>
</tr>
<tr>
<td>Sales of Produced Coal</td>
<td>2,628</td>
<td>2,156</td>
<td>22%</td>
</tr>
<tr>
<td>Coal Stocks at Period End</td>
<td>1,003</td>
<td>782</td>
<td>40%</td>
</tr>
</tbody>
</table>

Saleable coal production for the half year was 2.5Mt, 18% higher than the pcp as high coal stocks produced before the end of the last financial were processed. Coal sales for the half year were 2.6Mt, 22% higher than the pcp.

“Safety performance across the group continued to improve with Whitehaven’s TRIFR of 6.19 recordable injuries per million hours worked at the end of December improving from 7.42 at the end of June 2017. This is the lowest ever total recordable injury frequency rate (TRIFR) recorded by the Company and follows the introduction of the “Safehaven Rules” programme in early FY2014,” Whitehaven said.

Whitehaven’s TRIFR remains well below the NSW coal mining average of 14.7.
South32 Appin colliery outage impacts revenue
South32 Limited Illawarra Metallurgical Coal saleable production decreased by 50% (or 1.9Mt) to 1.9Mt in H1 FY18 as the Appin colliery recovered from an extended outage and the Dendrobium longwall progressed through a faulted zone.

Total coal production at Illawarra Metallurgical Coal for FY17 was 7 million tonnes.

“FY18 production guidance of 4.5Mt remains unchanged with a longwall move now scheduled for Dendrobium in the June 2018 quarter,” the Company said.

“We will run a single longwall at Appin for the remainder of FY18 as part of a staged ramp-up of activities, before targeting a return to a twin longwall configuration in the December 2018 quarter.”

The Company’s underlying earnings before interest, tax, depreciation and amortisation increased by US$23M (or 2%) to US$1.1B for an operating margin of 35.7% in H1 FY18 (H1 FY17: 36.7%).

“Higher realised prices for most of our commodities during the period gave rise to a US$273M increase in sales revenue, despite a significant reduction in coal and metal production at Illawarra Metallurgical Coal and Cannington, respectively,” South32 said.

New Hope Corporation coal sales up 7.9% in December 2017 quarter
New Hope Corporation Limited has reported strong coal sales for the December 2017 quarter, up 7.9% on the prior corresponding period.

The Company said in its report that this, combined with firming prices delivered a good financial result for the first half of the financial year.

Production from New Hope’s Queensland operations was slightly lower than the prior corresponding period due to wet weather, while production from New South Wales operations was slightly below the annualised rate.

The Lenton Joint Venture (New Hope 90%) finalised the acquisition of the Burton Coal Mine during the quarter and has commenced a review of operating options for the Burton and Lenton areas.

Coal exports from the Queensland Bulk Handling terminal were significantly higher than the prior corresponding period for both the current quarter and half year to January 2018.

Saleable Queensland coal production for the quarter was lower than both the prior quarter and the prior corresponding period due to scheduled shutdown of the New Acland coal preparation plant over the Christmas period.
The Company said that full year saleable coal production from Queensland coal operations is expected to be consistent with last year.

Queensland Bulk Handling export coal throughput continues to track higher than the FY2017 levels.

“Coal sales were higher than the previous quarter and in line with expectations. Demand for higher ash material from China has been robust during the quarter, which has supported the market overall,” New Hope said.

“A continued focus on operational improvement has resulted in the Bengalla operation (New Hope 40% owned) achieving solid second quarter coal production.

For the first half New Hope’s 40% interest in Bengalla contributed 7% higher coal production than the prior year. This trend is expected to continue for the full year.”

The Bengalla site in New South Wales which reports on a calendar year basis, achieved record coal production for 2017 of 9 million tonnes (100% basis).

Wesfarmers earnings lifted by strong coal production volumes and higher prices
Wesfarmers Limited has announced in its report for the 2018 Half Year that strong production volumes and higher coal prices in the Resources business contributed to a significant increase in the Industrials division’s earnings.

The Company reported a net profit after tax (NPAT) of $212 million for the half-year ended 31 December 2017.

“The Group generated record operating cash flows of $2,897 million for the half year,” Wesfarmers Managing Director Rob Scott said.

“Growth in revenue reflected the continued strength in export coal prices and strong production volumes in Curragh, partially offset by higher unit cash costs resulting from initiatives to increase production.”

Mr. Scott said that on successful completion of the sale transaction for the Curragh Mine, the Group expects to record a post-tax profit on sale of approximately $100 million.

“In December 2017, the Group announced an agreement to sell the Curragh coal mine for $700 million, which also includes a value share mechanism that allows Wesfarmers to participate in possible future coal price increases.”

NERA awards funding to NCIG joint initiative project
National Energy Resources Australia (NERA) has announced funding of $2.1 million for eight national projects aimed at improving the global competitiveness of the sector, by addressing key industry issues relating to sustainability, efficiency and diversity.

Optimisation of Operations Planning for Coal Export Terminals (QLD/NSW) - A joint initiative with Aurecon Australia, Queensland University of Technology and Newcastle Coal Infrastructure Group (NCIG) has received funding for its project which involves developing a schedule optimisation tool, which has the potential to improve productivity by as much as 10 per cent.
Allocation of terminal equipment in unloading trains and loading ships for coal exports is currently supported by software rather than scheduled by a computational tool. This project has the significant potential to reduce costly delays due to equipment allocation clashes and as such, improve efficiency.

NERA Chief Executive, Miranda Taylor said that the projects are expected to leverage an additional $2.4 million in industry funding, bringing the total value to more than $4.5 million.

“The latest round of funding comes in addition to the broad range of projects already underway, which have been made possible through NERA’s collaborative commitments from the $15.6 million Project Fund,” she said.

NERA received over 80 applications from consortia, made up of industry, research and talent organisations, small businesses and entrepreneurs, in a competitive bid to share in the funding available.

The projects have been selected to deliver results on a national scale, have sector-wide impact, and are aligned with NERA’s Sector Growth Priorities, defined in the 10-year Sector Competitiveness Plan.

“This competitive matched funding programme aims to invest in bold, innovative initiatives that will transform the energy resources sector to a digital, globally networked and low carbon-based economy. These collaborative projects aim to combine technology and new business models to drive efficiency, productivity, and co-create value and commercialisation opportunities.”

“NERA global benchmarking has already revealed more than $10 billion in value which could be unlocked across the energy resources sector,” Ms. Taylor said.

Finalists for 2018 NSW Mining Industry and Supplier Awards have been announced and include Centennial Coal Limited in the Mining Operation of the Year Category for its Myuna Herringbone System developed in collaboration with its employees.

Centennial Coal’s Myuna Mine won the Innovative Mining Solution Award at the 2017 Australian Mining Prospect Awards when the Myuna Herringbone System was recognised for its ability to provide a safe and sustainable solution to a highly constrained site that was experiencing reduced productivity.

Quarry Mining & Construction Equipment Pty Ltd is a finalist in the Outstanding Supplier category.

NSW Minerals Council CEO Stephen Galilee said that the Industry and Suppliers’ Awards are an opportunity to acknowledge the important role mining plays in NSW, particularly the economic contribution.

Bowen Coking Coal Limited (BCB) and Cape Coal Pty Limited have entered into a binding Heads of Agreement to acquire Cape Coal’s rights to acquire 100% of the Hillalong East Coking Coal Project from Rio Tinto Exploration.

The acquisition cost is $100,000 in cash payable to Rio Tinto on completion with a further $1 million on the grant of a Mining Lease over any part of the project.

The Project is located approximately 100km South West of Mackay in central Queensland, bordering the Western extension of Rio Tinto’s Hail Creek JV mine.
Nearby mines include Burton (Peabody Energy), and Walker Creek (BHP Billiton) with numerous projects under development in the area.

The tenement contains the Rangal Coal Measures at depths from sub-crop to ~200m. The seams sub-crop within the lease and steeply dip to the West at the limb of the Hillalong anticline into EPC 1824, 100% owned by the Company.

Under the Heads of Agreement with BCB, Cape Coal has agreed to assign to BCB all its rights in terms of the Sale and Purchase Agreement in exchange for the issue to Cape Coal of 30,000,000 fully paid ordinary shares in BCB (to be escrowed for 12 months) and reimbursement of direct legal expenses (estimated at approximately $50,000) at completion.

BCB will assume the rights and obligations of Cape Coal under the Sale and Purchase Agreement.

The issue of shares will increase Cape Coal’s holding of ordinary shares in the Company from 70,000,000 to 100,000,000.

MCA says reforms needed to build and maintain minerals workforce

Australia’s higher education system should be reformed and outdated workplace relations laws that discourage investment and stifle innovation and efficiency should be fixed to build the future Australian minerals workforce, according to the Minerals Council of Australia (MCA).

The MCA has said that its submission to the Senate Select Committee on the Future of Work and Workers Inquiry has outlined a range of reforms to attract and retain the highly-skilled workers to maintain Australia’s strong comparative advantage in minerals, which creates high-wage jobs and underpins the nation’s largest export earner.

“Australia’s minerals industry and the broader mining equipment, technology and services sector employ 1.1 million people, or 10 per cent of the Australian workforce,” David Byers, MCA Interim Chief Executive said.

“With innovative technology such as automation, drones, robotics and artificial intelligence changing the face of the modern mining sector, the future success of the minerals industry will depend on highly skilled and technologically-literate experts including operators, engineers, environmental scientists and geologists.”

“In a survey of MCA member companies, 70 per cent of respondents cited R&D and adoption of new technologies as important or very important to achieving future improvements in productivity. Yet it will be difficult for the sector to find the highly-skilled workers it needs to take advantage of new technology and innovation without action by Government,” said Mr. Byers.

The MCA submission outlines reforms that will help build the future workforce including:

- Reforming the education system as recommended by the Productivity Commission to support skills formation linked to an open, high-quality education system to prepare people with the right skills for technology adoption, use and diffusion
- Stronger accountability mechanisms to ensure increased university fee revenue is devoted to teaching and student services
- Modernising the workplace by confining permitted content in enterprise agreements to direct employment matters, reforming greenfields agreements to encourage investment in new projects and rebalancing rigid union right-of-entry provisions which allow for undue interference and disruption.
IEA support for CCS technology welcomed by Minerals Council of Australia

International Energy Agency (IEA) Executive Director Dr Fatih Birol has met with the Australian Government in Canberra to discuss energy security and the role of renewables, natural gas and clean-energy technologies, including Carbon Capture Utilisation and Storage (CCS) in the transformation of Australia’s energy system.

Meetings with Minister for Resources and Northern Australia, Matthew Canavan focussed on the IEA outlook for global coal markets and measures to unlock investment in carbon capture and storage, and domestic natural gas security as Australia brings online the next wave of liquefied natural gas.

The visit to Australia coincided with the publication of the latest IEA in-depth review of Australia’s energy policies and gained Support from the IEA for a market based approach to low-emissions technology, combined with better system planning to avoid high costs and system disruptions has been welcomed by the Minerals Council of Australia (MCA).

MCA Interim Chief Executive, David Byers said that the IEA’s acknowledgement of Australia as a “cornerstone” of global energy markets through its position as a leading supplier of coal, uranium and LNG, securing energy for growing Asian markets is also welcome.

“The IEA’s 2018 Review of Australia’s Energy Policies recommends the Australian Government should ensure that low-emission technology support is market-based and guided by locational signals, supported by energy system-wide network planning,” Mr. Byers said.

The IEA also stated that: “Australia is well placed to demonstrate cutting-edge technologies, including concentrated solar power, battery storage and carbon capture and storage (CCS)” and urged Commonwealth and State Governments to step up support for technology R&D and commercialisation, including through ARENA and the CEFC.

Mr. Byers said that this is consistent with the long-held view of the Australian minerals industry that technology neutrality and competitive markets should underpin Australia’s energy policy.

“A competitive energy market is the best way to deliver affordable, reliable and lower emissions energy.”

“However, successive Federal and State government policy interventions have distorted market signals and led to increased prices and reduced reliability,” Mr. Byers said.

“Over the past decade, Australia has moved from having some of the lowest to some of the highest energy costs in the developed world. Australia needs to restore its international comparative advantage of reliable, low-cost energy while meeting its emissions reduction targets.”

“Australia should take a technology-neutral approach to all low emissions energy sources, including renewables, gas, nuclear, advanced coal technologies such as High Efficiency, Low Emission (HELE) generation plant and CCS,” he said.

“Australian coal producers have established the unique COAL21 initiative to generate funding for CCS and other low-emission coal technology projects. The COAL21 Fund co-invests with Government, electricity generators, equipment suppliers and other investors, is funded by a voluntary levy on coal production and has so far committed $300 million to projects.”

“As Dr Fatih Birol has noted, CCS is an important mechanism to efficiently deliver long-term climate goals and industry should continue to work with Governments to facilitate wider deployment of CCS technologies,” said Mr. Byers.
Bis Industries Limited has won an award for mining, equipment, technology and services (METS) exports. Bis won the award through its innovative haulage solution at the Tabang coal mine in East Kalimantan. Bis exported innovative Australian designed technology in the form of their bespoke high horsepower T1250 trucks with four high capacity dedicated off road trailers, assembling these on site in Tabang. Company Chief Executive Officer Brad Rogers said that this fleet complements the existing and proprietary dual powered road trains that Bis also operates at the Tabang mine site. “Both haulage units eclipse the capacity and speed of traditional OEM haul trucks, and have a lower carbon footprint,” he said. The T1250 trucks and dual powered road trains in Indonesia are aimed at delivering a step change improvement in productivity and efficiency for Indonesian miners. Previously the maximum capacity for haulage in Indonesia was 120 tonnes. Bis’ new technology increased this to 240 tonnes for a single T1250 truck, or 300 tonnes for a dual powered road train,” Mr. Rogers said. Bis has recently won its second long term contract in Indonesia and will be providing load and haul services to the Gunung Bara Utama (GBU) mine for five-year term, with site mobilisation from March 2018. The METS Exporter of the Year 2018 Award recognises a METS provider that has had the most significant export win by value or technological solution during the year.

CS Energy Limited employees and representatives of the Gangalu People recently attended a ceremony at Callide Power Station to acknowledge the area’s rich Indigenous heritage and unveil an artwork by a local Indigenous artist. The ceremony included a Welcome to Country and traditional smoking ceremony with paperbark and fig leaves before the unveiling of an artwork by local Gangalu artist James Waterton. Callide Power Station is located on the traditional land of the Gaangulu Nation People and the sub-group Gangalu People inhabited the region of the Callide Dawson Valley. CS Energy recently installed plaques at all of its sites to recognise the local traditional owners that host its operations and is working to lift the percentage of Aboriginal and Torres Strait Islander (ATSI) people in its workforce. The Company said that as part of its Inclusion and Diversity activities, it has established targets to lift the percentage of ATSI people in its workforce to three percent by 2022, in line with the Commonwealth ATSI Employment Strategy.

Gladstone Ports Corporation (GPC) has announced that weather conditions for the Port of Gladstone, Port of Bundaberg and Port of Rockhampton are now live on its Webcam App. GPC said that the inclusion of the three port precincts will ensure up-to-date weather, wind and tide conditions are available. GPC CEO Peter O’Sullivan said that the additions to the app will benefit both the community and customers. “The current app is used predominantly by the community to check conditions before heading to the beach; the port feature builds on that, keeping our customers and local boaties aware of conditions around the terminals.” Mr. O’Sullivan said. GPC is also investigating other opportunities in the digital world, with improvements and additions to the app to be rolled out over the coming year.

Monadelphous Group Limited has announced sales revenue for the half year ended 31 December 2017 of $874.1 million, up 38.6 per cent on the previous corresponding period. The Company’s net profit after tax was $37.6 million, up 31.6 per cent on the previous corresponding period. Monadelphous’ EPC business joint venture Mondium, established in 2017 with Lycopodium continued to pursue opportunities in the mining and mineral processing market. “Since the beginning of the year, the Monadelphous Maintenance and Industrial Services division has been awarded approximately $270 million in new contracts, including a three-year contract for the supply of rope access based mechanical maintenance, inspection and protective coating services for Dalrymple Bay Coal Terminal in Mackay, Queensland; a three-year contract for the operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, WA; and a three-year contract to provide shutdown maintenance, breakdown and repair services, minor projects and ad hoc services for BHP at Mount Arthur Coal in the Hunter Valley, NSW,” the Company said in its report.
NRW Holdings Limited has announced revenue for the half year ending 31st December 2017 of $345.3 million, up 95% on the same period last year. Company underlying earnings before interest, tax, depreciation and amortisation were $40.3 million, an increase of 38% on the prior comparative period, whilst Net Profit after Tax before amortisation of $19.5 million is up 70% on the prior comparative period. Jules Pemberton, NRW’s Chief Executive Officer and Managing Director, said: “The acquisition of Golding has been an outstanding success and has largely contributed to the significant increase in revenue and earnings compared to the six months to December 2016. The business continues to meet or exceed our expectations and has secured new contracts and contract extensions across all its businesses. NRW has structured its business reporting into three segments, Civil, Mining and Drill & Blast following the successful acquisition of Golding. The Civil business comprises the existing NRW Civil activities together with the Golding Civil and Urban businesses. Mining consolidates the Mining businesses of NRW and Golding together with NRW’s Mining support business AES Equipment Solutions. Action Drill & Blast constitutes the third reporting segment.

NuCoal Resources Limited has announced that the Sales Contract to sell all remaining properties held within the Jerrys Plains area was finalised on 16 February 2018, increasing the Company’s cash balance $3.95 million and bringing total cash on hand to over $5 million. The Company announced in August 2017 that agreement had been reached to sell all its remaining properties in the Jerrys Plains area of New South Wales. The Company said at the time that TerraCom Limited has raised total gross proceeds of approximately $15 million pursuant to the institutional and retail components of the recent Entitlement Offer. Additionally, in an update for the Blair Athol (BA) Mine Train Loadout Facility (TLO), construction work for the dedicated TLO at the BA Mine is well advanced including the mobilisation of Aurizon Network for the commencement of rail recommissioning works. The rail line runs across Blair Athol site and connects into the main Goonyella Rail Line which runs to Dalrymple Bay Coal Terminal. It is expected that the TLO will be commissioned (including first train) in this March 2018 quarter. “This load-out facility will have a substantial impact on the economics of the BA mine, forecasting to deliver an additional $20 per tonne improvement in margin,” TerraCom said. The commissioning of the dedicated rail load-out facility will allow the trucks which are currently transporting the coal to another rail load-out facility to be taken off the road. The Company’s dedicated rail load-out facility is projected to provide substantial additional Operating Cash Flow and Net Profit Before Tax of A$34 million per annum which, the Company said, will flow through to consolidated results.

Wyong Coal Pty Limited’s Wallarah 2 Community Foundation has launched its annual Grants Programme. A funding initiative of the Wallarah 2 Coal Project, the Foundation actively partners with community groups for the benefit of the entire Wyong community and is currently welcoming applications for individual projects or initiatives ranging up to $3,000 in value. Community organisations, groups and individuals can apply for Foundation grants by visiting the Community Programmes Page on the Wallarah 2 Coal Project website (www.wallarah.com.au) and completing the 2018 Grant Application form. Applications close at 4pm on Monday 26 March 2018. Additionally, Wyong Coal is holding community sessions on the progress of the Wallarah 2 Coal Project on the last Wednesday of each month at Doyalson RSL. The sessions run for one hour commencing at 3pm, 4pm and 5pm. Please contact the Company on 02 4352 7500 to register you attendance.
Personnel

**Austin Engineering Limited** has announced the appointment of **Sybrandt Van Dyk** as a Non Executive Director of the Company, effective 19 February 2018.

**Rio Tinto Limited** has announced the appointment of **Moya Greene** as an Independent Non Executive Director of the Company. Ms Greene will join the Board in the second half of 2018. The Hon. **Paul Tellier**, a Non Executive Director since 2007, has indicated his intention to step down from the Board after the Rio Tinto Limited AGM to be held on 02 May 2018.

**Whitehaven Coal Limited** has announced the retirement of **Christine McLoughlin** as a Director of the Company and the appointment of **Fiona Robertson** to the Board as an Independent Non Executive Director.

Safety

**Weekly Incident Summary 14 February 2018**
Source: NSW Government

View the Weekly Incident Summary [here](#)

Legislation

Source: Queensland Government

The Mineral and Energy Resources (Financial Provisioning) Bill 2018 was introduced into the Queensland Parliament on 15 February 2018 and has been referred to the Economics and Governance Committee for analysis.

The Bill is the Government’s response to issues raised in the Review of Queensland’s Financial Assurance Framework (PDF) and the Better Mine Rehabilitation for Queensland discussion paper (PDF).

The Bill has two main purposes:

- to create the Mineral and Energy Resources (Financial Provisioning) Act 2018 that establishes a financial provisioning scheme to deal with the environmental impacts of resource activities
- to amend the Environmental Protection Act 1994 (EP Act) to introduce the new requirements for plans for the progressive closure and rehabilitation of mined land.

The new financial provisioning scheme will replace the current financial assurance framework for resource activities under the EP Act. The Scheme Manager established under the scheme will make a risk category allocation decision for each environmental authority. This may result in the need for a contribution to be made to the scheme fund or provision of surety. The required contribution or amount of surety will be based on the estimated rehabilitation cost (ERC) that will continue to be determined under the EP Act and provided to the Scheme Manager.

The plan for Progressive Closure and Rehabilitation (the PRC plan) is a new requirement for mine operators that apply for a site-specific environmental authority for a mining lease. This requirement is integrated into the existing environmental authority process, minimising the regulatory burden on Government and industry.
The outcome of the process is a stand-alone PRCP schedule, approved by the administering authority and containing rehabilitation milestones and completion dates, as well as conditions for achieving progressive rehabilitation of a mine site. The Bill also provides transitional arrangements for the application of the PRC plan requirements to existing mines.

To enable Government and industry to prepare for the reforms, the Bill provides for a staged commencement approach.

Once the Bill has become law following normal Parliamentary consideration, debate and amendments during consideration in detail, the new Act will commence at a date set by proclamation by the Governor in Council.

The transitional provisions in the Bill allow for the PRC plan requirements to come into force at a later date which will be prescribed in the Environmental Protection Regulation 2008.

The Department is working on materials to support the new financial provisioning scheme, such as the new ERC calculator and guideline, and for the PRC plan requirements such as the PRC plan guidelines.

**Brown coal-fired power stations licence reviews**

Source: Victorian Government

Environment Protection Authority Victoria (EPA) is reviewing the licences of brown coal-fired power stations AGL Loy Yang A, IPM Loy Yang B and Energy Australia Yallourn as part of its periodic licence-review programme.

EPA understands there is significant community interest in these licences and has invited a select group of community representatives to consult on the licence application process for the three power stations.

The following is proposed:

- EPA is seeking a list of issues that community groups believe power stations and mines need to respond to as part of this review. The list will be shared with the three power stations for consideration and they will be asked to respond in a report.
- At EPA’s request the three power stations are each preparing an air quality assessment report which to show to show that current performance and the licence limits (for NOx, SO2, CO, Hg, PM10 and PM2.5) will meet policy requirements. The assessment report will also address the list of community issues.
- EPA will share the reports with all relevant community groups ahead of hosting a 20B conference. EPA expects the key community groups and power station operators to attend the conference.

Both the respective power station reports and a 20B conference summary report will form the basis for EPA to then complete the review of each of the site licences and issue amended licences.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>23 Feb 2018</td>
<td>Hunter Business Mining</td>
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<tr>
<td>08 Mar 2018</td>
<td>2018 QRC/WIMARQ International Women’s Day Breakfast and Resources Awards for Women</td>
<td>Brisbane Convention &amp; Exhibition Centre, QLD</td>
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<td>15 Mar 2018</td>
<td>NSW Mining Industry &amp; Annual Suppliers Dinner &amp; Awards</td>
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<td>15 Mar 2018</td>
<td>NSW Women in Mining Awards</td>
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<td>06–15 Apr 2018</td>
<td>Hunter Coal Festival</td>
<td>Hunter Valley, NSW</td>
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<td>12 Apr 2018</td>
<td>8th Annual Mine Rehab Conference 2018 (Best Practice Ecological Rehabilitation of Mines Lands Conference)</td>
<td>University of Newcastle, NSW</td>
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<td>21 Apr 2018</td>
<td>AusIMM Annual Awards Dinner</td>
<td>Adelaide, SA</td>
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<td>06-08 May 2018</td>
<td>24th Coaltrans Asia</td>
<td>Nusa Dua, Indonesia</td>
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<td>14-15 May 2018</td>
<td>Future of Mining Sydney 2018</td>
<td>SMC Conference Centre, Sydney, NSW</td>
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</table>
Coal Delivery
- Planned rates were 439kt below target while Actual inbound performance was 405kt below the Declared Inbound Throughput (DIT). Total losses finished the week at 8.4% compared to the 2018 declared target of 8.3%.
- February month-to-date throughput is currently 8,308kt (168.5Mtpa) which is 1,225kt below the DIT, with total losses of 7.4%.

Shiploading - Port Waratah Only
- Planned rates were 497kt below target while Actual outbound performance was 374kt below the Declared Outbound Throughput (DOT). February month-to-date shiploading is currently 6,287kt (127.5Mtpa), 247kt below the DOT.
- Port Waratah port stocks finished the week at 1,694kt, an increase of 219kt from the previous week.

Coal Chain Demand
- February nominations are currently 9.3Mt.
- Based on terminal demand the Port Waratah vessel queue is estimated to be eight at the end of the month.
- At Port Waratah, there were 16 vessels in the offshore queue at the end of the week.
The overall vessel queue increased from 46 ships last week to 58 this week. Queensland’s queue decreased from 43 ships last week to 42 ships this week. New South Wales queue increased from 7 ships last week to 16 ships this week.
Braemar ACM Weekly Scope
20 February 2018

<table>
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<tr>
<th>Vessel DWT</th>
<th>Australian Round Voyage</th>
<th>Far East Mediterranean/Continent</th>
<th>Mediterranean/Continent Far East</th>
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<tr>
<td></td>
<td>Last Week</td>
<td>This Week</td>
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<tr>
<td>28,000</td>
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<td>58,000</td>
<td>$9,750</td>
<td>$10,500</td>
<td>$750</td>
</tr>
<tr>
<td>74,000</td>
<td>$8,818</td>
<td>$9,573</td>
<td>$755</td>
</tr>
<tr>
<td>180,000</td>
<td>$12,817</td>
<td>$13,271</td>
<td>$454</td>
</tr>
</tbody>
</table>

Note: NOTE: The trades 28K, 32K, 52K & 58K DWT sizes rates are assumed to be DOP South East Asia. All other sizes are assumed DOP North Asia.

CAPESIZE
After coming back from the long weekend due to Chinese New Year holidays it was still a very quiet start to the week. North-Atlantic routes remained quiet and uninspiring, there were a few Atlantic-related fixtures reported early this week, both Brazil cargoes, one being C2 but with Itagui/Rotterdam Newcastle max stem for second half March at low-$7.00/tonne basis, which if converted into C2 terms based on BCI ballaster differential, it would be worth around $7.00/long tonne basis, while the last week’s fixture was at $7.25/long tonne basis C2 terms for similar mid-March laycan.

The Pacific was also quieter than normal but prompt dates maintained their pre-new year level of mid-$6.00/tonne with one miner trying but failing to push things down to $6.40/tonne. As owners and charterers start to get back into their offices we expect action to pick up.

PANAMAX
The Panamax market remained stagnant this week with signs of improvement, more cargoes were seen in the market after the lunar new year holidays. In the Pacific, owners were optimistic on the East Coast South American Grain front and are ballasting their vessels with charterers rating at $10,000/day levels for a Pacific round voyage. Indonesian and China Coal stems were reportedly done at $10,000/day levels for LME types opening in South East Asia and South China range. Australian round voyages saw fewer cargoes this week with fixtures reported at low-mid-$10,000/day levels for Kamsarmax types and mid-$10,000/day levels for Post Panamaxes opening in North China to Japan range. In the Atlantic, not much cargoes from the grain charterers as rates were reported at $14,000/day plus $400,000 Ballast Bonus for a Kamsarmax for an East Coast South American round voyage. NoPac cargoes saw slight improvements as rates were reported at low-$10,000/day levels for LME types opening North China and a slight premium for Kamsarmaxes. Short period activity slowed down with fixtures of Kamsarmax types being done at $12,000/day levels for 4-7 month period.
HANDY SIZE, HANDYMAX & SUPRAMAX

In the Supramax market the Pacific turned at the end of last week with rates firming and sentiment remaining bullish. South East Asia has seen an increase of nearly $750/day on spot rates with Indo coal the main driver. Longer round voyages from Australia and Nopac require a premium to spot with most owners preferring shorter duration in case levels rise further. Short period rates have also increased with eco Ultramax tonnage preferred. As we didn’t see any real softness leading into Chinese New Year holidays it will be interesting see what the market does once the Chinese are officially back.

Activity in the Handysize Pacific market was very quiet towards the end of last week due to Chinese new year holidays. There have been quite a few orders in the market at the start of this week, however activity is expected to be slow until the Chinese get back from holidays. Rates in South East Asia and Australia have remained fairly flat; however sentiment seems to be that the market may pick up slightly after the holidays. Far East Asia has seen a few more orders this week, however things have been quiet on the NoPac front. In terms of rates, 28,000 dwt ships in Singapore are still around the mid-high-$6,000/day level for an Australian round voyage and 38,000 dwt ships are around the mid-$8,000/day level for an Australian round voyage. In the Far East, 32,000 dwt ships in Japan are around the $8,000/day level for NoPac round voyages and the 38,000 dwt ships are around high-$8,000/day to $9,000/day levels for a NoPac round voyage. There has been some period enquiry in the Far East, however not many period fixtures have been heard as there is still a big gap between what owners are aiming for period and current market levels out of Far East.

<table>
<thead>
<tr>
<th>Commodities (USD)</th>
<th>Coal (Del. China)</th>
<th>Ther. Newc.6.3k</th>
<th>Change</th>
<th>Ther. Kalim. 5k</th>
<th>Change</th>
<th>Cok.Prem.Oz</th>
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<tr>
<td></td>
<td></td>
<td>$105.00</td>
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<td>$72.50</td>
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<table>
<thead>
<tr>
<th>Bunkers (USD)</th>
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<th>Change</th>
<th>180 IFO</th>
<th>Change</th>
<th>MDO</th>
<th>Change</th>
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<tbody>
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<tr>
<td></td>
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<td>-$5.00</td>
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<tr>
<td></td>
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<td>$412.00</td>
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<tr>
<td></td>
<td>Sth Korea</td>
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<td>$416.00</td>
<td>$5.50</td>
<td>$599.00</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

Bunkers as at 19 Feb 2018 (Source: Universal Bunkering Pty Ltd).
DRY CARGO / BRAEMAR ACM Event Impact Analysis
21 February 2018

Indian coal imports up 12 per cent last month
• Indian coal imports were 18.5 million tonnes in January 2018, up 12 per cent year-on-year from 16.5 million tonnes in January 2017
• The rise is predominately due to higher metallurgical coal imports to support India’s growing steel production
• Indian buyers took advantage in January of some weakness in coal prices
• Lower stocks and higher summer demand is expected to support strong import levels of both thermal and met coal through the remainder of Q1 into Q2, 2018
• In the medium term, India's thermal coal demand is expected to stay high with electricity generation capacity forecast to grow between 5 – 10 per cent over the next few years.