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MEDIA RELEASE

GVK Hancock Gains Federal Government Approval for Port Development at Abbot Point

GVK Hancock has welcomed the Federal Government's approval of its Terminal 3 (T3) Development at the Port of Abbot Point, near Bowen, under the *Environment Protection and Biodiversity Conversation Act 1999 (EBPC Act)*.

Following a rigorous and thorough assessment process by the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC), Federal Environment Minister Tony Burke today announced the Alpha Coal Port Project at Abbot Point has been given the go-ahead. This follows the separate approval for the Alpha mine and rail projects on 23 August 2012.

"We are delighted with this decision. We are the only coal developer in Australia to possess environmental approvals at a state and federal level that integrate the mine, rail and port bringing to finalisation the Tier One environmental approvals that will significantly assist in the facilitation of opening up the Galilee Basin. Importantly, we believe the overall assessment process has resulted in best practice environmental protection outcomes which we support wholeheartedly," said GVK Vice-Chairman, Sanjay Reddy.

There will be approximately 650 jobs during port construction, and 200 permanent jobs in the Whitsunday area. The combined Alpha mine, rail and port project will provide 1,800 on-going, intergenerational operational jobs, employ around 4,000 people during construction and returns to government of over \$1 billion each year in royalties and taxes. This means more money for governments to spend on such things as infrastructure, health, schools, police, services, local communities, training for the next generation and sport and recreation.

In addition, GVK, through its mine/rail conditions, will also specifically provide a \$2 million contribution to the coordination of research into EPBC listed threatened fauna.

The port approval also provides for over \$20 million of GVK expenditure during the initial project approval life for Indigenous Rangers and other State/Federal support for the Great Barrier Reef Field Management Program and other reef conservation benefits through the Great Barrier Reef Marine Park Authority.

The environmental assessment of GVK's port development at Abbot Point (T3) has been enhanced via a voluntary Cumulative Impact Assessment (CIA) process that has been underway for approximately 12 months.

The CIA also involves two other proponents and the port authority North Queensland Bulk Port Corporation working together on a voluntary comprehensive report which includes a set of studies in relation to potential impacts on such issues as shipping, fishing, noise, marine and terrestrial biodiversity and visual amenity which have been the subject of rigorous independent peer reviews.

A major innovation for Australian Coal Ports is GVK's plan to construct and operate a port loading facility that will require a materially reduced footprint and structure compared to that proposed in our documentation and relative to a traditional A-Frame shiploader and wharf design currently in operation at Queensland ports. The refined shiploader system means that our impacts during construction and operation will be less than that envisaged in our approvals as surge bins for example, are not required.

The adaptive management approach taken by the Department of Sustainability, Environment, Water, Population and Communities that will factor the final outcome of the CIA work is to be commended and will provide for sustainable development along with the best insurance for the future protection of the environment.

Coal is an important part of the global energy portfolio, especially in regard to electricity generation, producing about 41% of the world's power. Due to its low cost and availability, the use of increasing quantities of coal globally is vital particularly for the ongoing enhancement of living standards for developing countries. For Australia's ongoing prosperity, we hope that much of this coal can be sourced competitively from Australia rather than from elsewhere.

This will be facilitated by GVK Hancock's standard gauge railway, to be constructed along the north south rail corridor alignment announced by the State Government in June 2012. We also confirm that we have our native title agreements in place for the entire project, and thank the four traditional owner groups (Wangan and Jagalingou, Jangga, Birri and Juru Peoples) for their cooperation and ongoing support.

GVK Hancock's \$10bn Alpha Coal Project involves a thermal coal mine in the Galilee Basin, a 495 km standard gauge railway line and port facilities at Abbot Point. With these major approvals achieved our focus will now move to the finalisation of Construction Contracts, the railway and other tenures related matters as well as secondary approvals. Pending all approvals, first coal from the Alpha Project is scheduled for early 2016 with the product bound for the Asian export market.

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