

Level 8, 307 Queen Street, Brisbane Qld 4000  
GPO Box 963, Brisbane Qld 4001, Australia  
t +61 7 3003 5500 f + 61 7 3229 4788

www.hancockcoal.com.au

ABN 69 132 394 122

17 January 2012

## Media Statement by Hancock Coal Infrastructure – the rail corridor

### Background

Hancock Coal's Alpha to Abbot Point railway was designated under the State Development and Public Works Organisation Act 1971 as an Infrastructure Facility of Significance on 1 October 2010. The factual background to the designation is recorded in the Queensland Government Gazette of 1 October 2010.

The railway is a standard gauge railway, approximately 495 km long from the Alpha mining tenements in the Galilee Basin to the port of Abbot Point.

This declaration by the state was challenged by QCoal on judicial review grounds. The Supreme Court dismissed this application on 10 November 2011. Currently, this is the only declaration **in place** for a railway from the Galilee Basin although other parties have more recently applied for similar declarations.

There are about 40 landholders along the railway. The final width of the proposed railway corridor is generally between 60 and 100 metres, and Hancock has been in discussions with most of the landholders for over 18 months to ensure that we address all necessary issues. The majority of landholders have worked with us (and provided valuable local advice) to ensure impacts are minimized and that the land can continue to be effectively used, generally for grazing purposes. In others words, Hancock will ensure we provide adequate access not only to homes, but to dams and other infrastructure, ensure there are truck and cattle crossings for example and in effect enable the property to continue as if the railway is not there.

Obviously the railway will be there however, and to respond to the view that the railway will act as a levee, Hancock can certainly confirm this will not be the case. It should be viewed more as a viaduct in many places.

### Hydrology

Hancock has undertaken probably the most extensive flood modeling of any railway to date. We have submitted to the Coordinator General what we understand is to be the most stringent proposed conditions for a railway in terms of floodplains to date. We have assessed and modeled the possible extent of flood inundation, frequency and duration of flood events, flow velocity, flow connectivity and afflux. The work shows that as a result of the design, including approximately 127,000 metres of culverts (if they were put end to end) and 20 major bridges, Hancock will not be impacting on overland water flows nor causing interruption to flood events, both of which are recognised as important to the rural landscape.

With respect to water velocity, again, appropriate mitigation measures including erosion and scour control measures must be and will be put in place. Ongoing monitoring will also be

undertaken during operations to ensure all mitigation is effective. It is in our best commercial interests also to ensure the railway is well maintained and not at risk of any flooding, erosion or other adverse impacts during operations.

### Rail Efficiency

The railway has been designed to ensure it's as efficient, in terms of operations, as possible. Changes to alignment were also made in response to landholder concerns where possible, including moving closer to property boundaries in some cases. With loaded grades of 1 in 320, the fuel utilisation, maintenance and other costs will be at less than half of what other railways in Queensland propose to achieve on a per tonne hauled basis. Obviously minimising long term costs and environmental impacts is important when seeking to haul significant quantities of coal over long distances. The railway's operating costs have, we believe, been a key incentive to other parties to respond positively to the public Expression of Interest process we launched in September 2011.

### Conclusion

Hancock and its majority owners, GVK believe we are certainly at the forefront of 'Opening up the Galilee Basin'. To be declared as an Infrastructure Facility of Significance demonstrates the railway will contribute to economic growth, community development and employment. We will do this. We will also continue to work with landholders – our neighbours for the long term.

We are not just talk. We believe actions speak louder than words. We have successfully conducted two overseas trials of Galilee Basin coal, in power stations in South Korea and China with coal mined from our \$80m test pit. We have spent four years preparing environmental and other approval documentation to date, we have pre-commitments for coal of over 30 mtpa, we want to continue to expand our workforce, support service industries in this country and make a positive difference.

Finally, returning to the false perception that the rail will act as a levee, our independent consultants have been provided with access to properties to review those in potentially impacted areas and received positive feedback from landholders. Pre-rail construction hydrology data is in place to ensure we can effectively monitor and mitigate any unexpected impacts in the future. This is our commitment.