



Aquila takes Vale to court

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AQUILA Resources today began legal proceedings against Vale seeking unspecified damages for defaulting on a joint venture agreement committing to infrastructure arrangements for the Eagle Downs coal mine in Queensland.

Aquila claims a refusal by Vale subsidiary Bowen Central Coal to meet last Friday's deadline to secure access to the proposed expanded capacity of the Abbot Point Coal Terminal and the Goonyella Abbot Point Expansion rail project would delay the project and might lead to greater costs in exporting the coal.



The Eagle Downs project area. Courtesy Aquila Resources.

BCC does not agree it is in default.

Aquila is yet to quantify the damages being claimed because of the default, Aquila executive chairman Tony Poli told *International Longwall News*.

"We are keen to mitigate the loss. Then we will have an opportunity to calculate the damages being sought," he said.

"The offer has lapsed and we're now seeking alternative infrastructure means.

"It's disappointing that we lost the bird in the hand. We must now look at anything and everything to transport our coal to our overseas customers."

Poli said that Aquila would still cooperate with Vale to develop the Eagle Downs hard coking coal project.

"We need to work collectively with Vale to resolve this issue," he said.

"We will be working diligently with them. They are our joint venture partner."

Vale has received the claim and will review it in detail today, a Vale spokesperson told *ILN*.

Vale yesterday confirmed it was fully committed to its coal operations in Australia, despite recent adjustments in the business organisation.

Vale Global Coal managing director Decio Amaral said: "Vale is the world's second-largest diversified mining company based on market capitalisation and aims to be the largest mining company in the world. We understand that this achievement will not be possible without a strong presence in Australia."

First production from Eagle Downs could be pushed back by two years if the plan to export out of Abbot Point is not approved, Aquila says.

It wants to export out of Abbot Point and commit to partially funding the Goonyella Abbot Point Expansion project to link Eagle Downs to the port, but Vale has proposed alternative plans.

"The main issue in question is the development of Abbot Point with the certainty of first production in 2013 compared to the Dalrymple Bay option with first production in 2015," an Aquila spokesperson told *ILN*.

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