

Aquila gives tick to Eagle Downs development

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BRAZILIAN giant Vale and joint venture partner Aquila Resources have officially approved a resolution for the development of their \$1.25 billion Eagle Downs hard coking coal project in Queensland.

The agreement was made after Aquila decided to adopt Vale's preferred option for the mine's development and sanction the project without contracted rail and port arrangements.

Development of coal from the mine will be reliant on an ad hoc or re-assigned capacity basis, while longwall coal production will be aligned with the first available new rail and port capacity.

A decision on the mine's development was made after each participant of the management committee of the Bowen Central Coal Joint Venture obtained board approval.

Following a resolution on the mines development, Aquila said it dropped proceedings it commenced last September in Queensland's Supreme Court against Vale's wholly owned subsidiary Bowen Central Coal.

Aquila wanted to prevent Vale from voting on sanctioning Eagle Downs without contracted rail and port arrangements.

"Schedule B is Aquila Coal's preferred option because contracted port and rail capacity is necessary to deliver the coal from the project to customers," Aquila said at the time of filing the injunction.

Despite the JV partners coming to an agreement on the Eagle Down's mine development, Aquila said it was still seeking to secure rail and port for the project.

"Securing port and rail for the project remains a key priority for Aquila Coal," the company said in a statement.

Aquila hopes to secure infrastructure for the mine via the Wiggins Island coal terminal while the Dudgeon Point development represents another option.

Eagle Downs is expected to produce an average of 4.5 million tonnes per annum over the initial 10 years of life once the longwall operation commences in the first of three target seams and it will have an estimated mine life of approximately 48 years.



The Eagle Downs project area. Courtesy Aquila Resources.

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