

Aquila targets 2013 for new coal mine

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AQUILA Resources hopes to produce hard coking coal from its Washpool project for \$106 a tonne from 2013.

Announcing a completed feasibility study of the project in the Bowen Basin in Queensland, Aquila said it would require \$320 million of capital investment, with construction starting in 2012.

The mine would be able to produce 1.6 million tonnes of high quality hard coking coal a year for 25 years at the \$106/tonne quoted price, which was quoted at the Australian port price before royalty payments.

The company estimated that, based on a likely market price of \$US144/tonne, the current value of the project's expected future cash flows, or net present value, would be \$364 million.

Its internal rate of return would be 30 per cent, the company said.

The project will depend on the development of the proposed Wiggins Island coal terminal in the port of Gladstone, the company said.