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Aquila & Vale Obtain Coal Shipping Right At APCT =4 million MT per year for Eagle Downs Project=

Aquila Resources Ltd. of Australia and Vale of Brazil seem very likely to gain shipping right at Abbot Point Coal Terminal (APCT) as that for Eagle Downs Project in Queensland.

On 15th December North Queensland Bulk Ports Corp. operating APCT proposed to offer the shipping right of 4 million MT per year for Eagle Downs Project upon completion of the X50 Expansion Project on condition that take or pay contract should be terminated in the first quarter 2010.

Resulting from completion of X25 Expansion Project at the end of June 2009, coal shipping capacity at APCT rose to 25 million MT per year from 21 million MT per year. After that at APCT, subsequent to X25, now X50 Expansion Project is promoted and in the middle of 2011 when the Project is to be completed, coal shipping capacity further rises to 50 million MT per year. At that moment, Eagle Downs Project acquires shipping right of 4 million MT per year.

Furthermore, X80 Expansion Project and X110 Expansion Project are promoted for completion in 2012 and in 2014 respectively. If both Projects are completed as originally scheduled, coal shipping capacity at APCT expands to 80 million MT per year in 2012 and 110 million MT per year in 2014.

Eagle Downs Project is to develop undeveloped underground concession (Eagle Downs concession) located 25 km south east of Moranbah in Queensland and export metallurgical coal produced at the concession to Asian countries including Japan. The interest in the project is shared on 50/50 basis by Aquila Resources and Vale.

At Eagle Downs concession, development is launched within 2011 for commencement of small scale coal production within 2012. After that in 2014, longwall operation is started and salable coal production rises to 4,500,000 MT per year. In addition in 2020 the second longwall system is introduced and salable coal production is further raised to 8,000,000 MT per year.

As reported before, in parallel with development of Eagle Downs concession, Aquila Resources plans to promote development of undeveloped metallurgical coal concession Washpool in the same state of Queensland. At the concession, coal production is started in January 2012 and 1,600,000 MT to 2,000,000 MT per year of metallurgical coal are to be produced.

Aquila Resources holds 100 percent interest in Eagle Downs concession.