

Port Waratah Coal Services Limited

Attachment E - Industry consultation initiatives and four year capacity plan initiatives

Table E1: Industry Consultation 2004: Physical and Commercial Initiatives

<p>Physical Initiatives</p>	<ul style="list-style-type: none"> • Project Enhance 120 modelling and analysis has shown that a throughput capacity of 100+Mtpa can be achieved through a combination of process improvement and Capex by 2008. • Due to the concentrated efforts over last 18 months (ie IDT, Improvement Teams, HVCCLT etc) the scope for process improvement capacity gains is diminishing. • Most of the capacity improvement initiatives now are capital based. • Lifting load point capability is the most critical issue over next 18 months, key areas to be addressed include; <ul style="list-style-type: none"> - Increasing train/day peaking capacity to match cargo build times of all load points. - Reducing load rate variability. - Planning around random vessel arrival patterns.
<p>Commercial Initiatives</p>	<ul style="list-style-type: none"> • Formalisation of HVCCLT • Creation of System Rules • Introduction of Long-Term Take or Pay

Source: PWCS

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Table E2: Four Year Capacity Plan - Key Initiative Summary

Throughput Threshold	Key Initiative	Est. Completion By (Based on 2003 Forecast)
To Achieve 85Mtpa	Maintain train fleet re-powering (UPTWO) configuration plus: <ul style="list-style-type: none"> • New capacity/stockpile planning (4 queues) • Kooragang Coal Terminal process improvement (belt deviations and chutes) • Key load point upgrades - quick wins (HV and MTO/WW) • Carrington Coal Terminal Stacker 2 and Reclaimer 1 recommissioned • 2 additional PN consists • Integrated Planning System 	Q3 2004 Q4 2004 Q1 2005 Q1 2005 Q2 2005 Q3 2005
To Achieve 90-95 Mtpa	All of 85 Mtpa plus: <ul style="list-style-type: none"> • Jerry's Plains Coal Terminal • Ulan CTC • Whittingham Branch line duplication • Hanbury Grade Separation • Muswellbrook Yard Extension • Kooragang Coal Terminal Pad C extension • Drayton Branch extension 	Q1 2006 Q1 2006 Q1 2006 Q1 2006 Q2 2006 Q2 2006 Q2 2006

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Throughput Threshold	Key Initiative	Est. Completion By (Based on 2003 Forecast)
To Achieve 95-105 Mtpa	All of 90-95 Mtpa plus: <ul style="list-style-type: none"> • Half Pad D and Stacker at Kooragang Coal Terminal (Approved within Kooragang Coal Terminal Stage 3 DA) • Minimbah and Nundah Bank grade reduction • Key load point upgrades (HV, Ulan, Liddell) • Eliminate refuelling constraints Kooragang Coal Terminal • Carrington Coal Terminal belt upgrade to 3000tph • PN back to BIG train fleet configuration (ie 80 and 60 wagon consists) • Mainline Bi Di signalling 	Q1 2007 Q1 2007 Q1 2007 Q1 2007 Q1 2007 Q1 2007 Q4 2007
To Achieve 95-105 Mtpa	All of 95 to 105 Mtpa plus: <ul style="list-style-type: none"> • Musswellbrook-Antiene duplication • 1 additional train (60 wagon consist) • Upgrade secondary load points to Benchmark levels • Complete remaining Kooragang Coal Terminal Stage 3 	Q4 2007 Q4 2007 Q4 2007 Q1 2008

Source: PWCS

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Table E3: Four Year Capacity Plan - Estimated Capital Required

Estimated Capital Required to Achieve Around 95 Mtpa Throughput	
PWCS	\$12.5m (\$9m approved)
RIC/ARTC	\$53.5m (\$25m approved)
Pacific National	\$56.5m (\$55m approved)
Producers (local points)	\$48m (\$45m approved)
Total capital	\$170m (\$134m approved)
Estimated Capital Required to Achieve Around 105 Mtpa Throughput	
PWCS	\$50m (estimate)
RIC/ARTC	\$70m
Pacific National	\$5m
Producers (local points)	\$30m (estimate)
Total capital	\$155m
Estimated Capital Required to Achieve Around 120 Mtpa Throughput	
PWCS	\$135m
RIC/ARTC	\$35m
Pacific National	\$27m
Producers (load points)	\$30m (estimate)
Total capital	\$227m

Source: PWCS