

28 February 2011

David Hatfield
Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601



Port Waratah Coal Services Limited (PWCS), Newcastle Coal Infrastructure Group (NCIG) and Newcastle Port Corporation (NPC) Authorisation

A91147-A91149 & A91168 & A91169- request for review by Aston Resources

Gloucester Coal has been involved in the industry processes leading to the development of the Capacity Framework Arrangements and has participated in the PWCS Nomination and Allocation process in 2009 and 2010.

Summary

Gloucester does not believe that a review is warranted. The Capacity Framework Arrangements have been in place for just over one year. A full scale review would introduce uncertainty and divert effort and focus from the ongoing efforts to improve the effectiveness of the Coal Chain.

Gloucester is not aware of:

- Any false or misleading material that was provided to the ACCC during the consideration of the applications
- Any condition that has not been complied with
- Any material change in circumstances since the authorisation was granted.

Gloucester believes that with particular reference to the Nomination and Allocation Processes:

- **The Capacity Framework Arrangements are operating as intended**
 - Gloucester participated in the 2009 and 2010 Nomination and Allocation process conducted by PWCS. Gloucester believes both the conduct and outcome of the process was consistent with the Capacity Framework Arrangements, the Long Term Ship or Pay Agreement and the Terminal Access Protocol.
 - There are some problems associated with the operation of the Coal Chain the most significant of which is the impact of congestion in the inbound Coal Chain as the capacity and throughput increases. This has to date resulted in some loss of capacity. Gloucester believes these are being addressed effectively through the HVCCC and the HVCCC Board.

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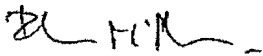
- The Terminal and Rail Capacity delivered to date has been in a timeframe consistent with the Capacity Framework.

Gloucester has received allocations with start dates based on completion of expansion projects at the Kooragang Terminal. Gloucester is confident these projects will be delivered on time.

Gloucester expects that Newcastle Port Corporation, as the Reviewer will ensure the earliest possible completion date for T4.

- Gloucester is not aware of any evidence of capacity hoarding.

Yours Sincerely



Brendan McPherson
Chief Executive Officer