

Mr Kenny Barry
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Dear Kenny

Response on the modelling and operational implications for the proposed raiing arrangements for the Wallarah 2 Coal Project

Following your request in March 2016 for ARTC to model the capacity availability for the Wallarah 2 Coal Project volumes on the ARTC Hunter Valley Network I can confirm that there is sufficient capacity on the ARTC Hunter Valley Network to accommodate the indicated volumes without the requirement for additional infrastructure to be developed.

I would like take the opportunity to reiterate that as per our discussion in May 2016, that although there is sufficient capacity within the Hunter Valley Network to accommodate the Wallarah 2 Coal volumes, the operational complexities between integrating the dynamic ARTC Hunter Valley coal chain (HVCC) with the adjoining Transport for NSW (Railcorp) network's timetable will create significant challenges for successful delivery of the proposed the Wallarah 2 Coal Project volumes across the two rail networks.

Due to the dynamic nature of the demand profile of the HVCC, the risks will change from day to day and will require close coordination between Wallarah 2, Railcorp, ARTC and your rail haulage provider to manage any issues that present.

Yours sincerely



Holden Turner
Manager Logistics