

Appendix L

ARTC Correspondence

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Mr Barry Smith
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Dear Barry

RE: Rix's Creek Continuation Project

The Australian Rail Track Corporation utilises a zoned volume based scenario to work up pathways in the provision of capacity in the Hunter Valley, NSW region. The chosen volume based pathways to capacity realisation are provided annually in the ARTC Hunter Valley, 10 Year Corridor Capacity Strategy that can be found on the ARTC website at: <http://www.artc.com.au/Content.aspx?p=115>

Bloomfield contracts at three load points (Bloomfield, Camberwell and Rix's Creek) located within Zone 1 (Lower Hunter Valley) of this three zone network. The capacity analysis summarised in the Hunter Valley, Corridor Capacity Strategy is correlated to forward contract and prospective volumes, of which ARTC utilises peaking and average paths for Zone 1.

Cumulative rail movement assessment of the Hunter Valley Network is incorporated in contracted and prospective coal volume based assessments of required capacity. The prospective coal throughput scenario is inclusive of Greenfield projects and Brownfield expansion projects along this corridor, including the listed projects in your correspondence with the associated daily rail movement accumulation provided below.

ARTC confirms Bloomfield Collieries Pty Ltd have a valid Access Holder Agreement (AHA) executed 1 February 2012 with ARTC, as managed under the Hunter Valley Coal Network Access Undertaking. In accordance with the provisions of the AHA, the annual renewal is on a 10 year rolling basis under the regulatory regime and is therefore acknowledged as currently out to end 2025.

ARTC is pleased to confirm that current contracted Train Path Schedule for Bloomfield provides for the following path usages at the respective load points:



*Mtpa volumes in each year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
The Bloomfield Group Contracted Volume										
Rix's Creek	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Bloomfield	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.1
Camberwell	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0
Aggregate Contracted Volume										
Pricing Zone 1	182	192	192	192	192	192	192	192	188	176
Saleable Capacity Pricing Zone 1 (respective segments)										
Camberwell – Whittingham (including to Port of Newcastle)	278	278	278	278	278	278	278	278	278	278

Further, to accommodate the for demand and supply within the global seaborne trade of thermal coal and the practicalities of a mining operation, each of ARTC's AHA's accommodates for the volatilities of rail consumption by way of a monthly and quarterly tolerance cap, in effect providing higher off take within the network capacity 'tolerance'. This is further supported by path trading (short and long term) mechanisms between Access Holders where application is sought and found suitable.

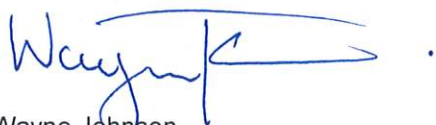
ARTC also provides access to 'Ad Hoc' pathing over the prescribed contract limits enabling Access Holders to transport more than was originally contracted annually. In this case, as long as the Access Holder has demonstrated coal export terminal exit capability, ARTC can within the contracted and capacity limits of the network approve acquisition of additional pathing (Ad Hoc). As is identified in the table of contracted and saleable capacity provided, Bloomfield Collieries Pty Ltd can access the Ad Hoc pathing when required within the context of all ARTC's Customers demand for Pricing Zone 1, from Camberwell junction capacity in that period.

Surplus daily pathing available nearest the Bloomfield Groups' operations is depicted in Table 7 of the ARTC Hunter Valley, 10 Year Corridor Capacity Strategy (pg. 33) as is extracted below:

Network Capacity (Paths)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pricing Zone 1 (Whittingham)	48.4	45	44.1	44	44	44	44	44	44.3	46.6

If there are any other queries related to this project and the relationship with the ARTC Hunter Valley Coal Chain Capacity, please contact me to discuss.

Yours sincerely



Wayne Johnson

General Manager Customer service and Operations