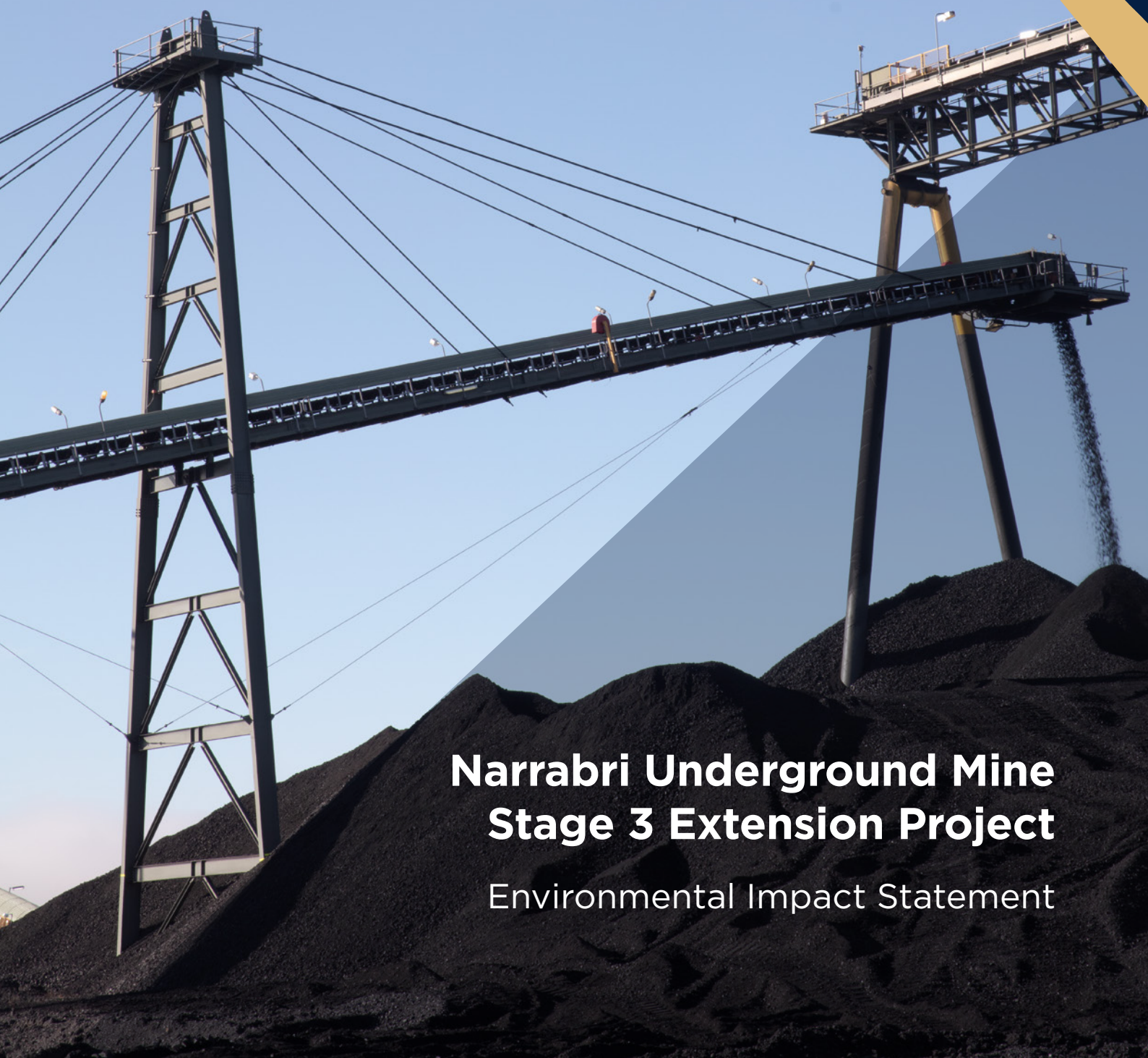


Attachment 8

Capital Investment
Value Report



Narrabri Underground Mine Stage 3 Extension Project

Environmental Impact Statement

Mr Mark Vile
Narrabri Coal Mine
10 Kurrajong Creek Road
Baan Baa NSW 2390

19 December 2019

Dear Mr Vile,

**NARRABRI MINE STAGE 3 PROJECT
CAPITAL INVESTMENT VALUE QUANTITY SURVEYOR'S REPORT**

As requested WT Partnership has prepared a Capital Investment Value (CIV) estimate for the Narrabri Mine Stage 3 (the Project) in accordance with the definition contained in the *State Environmental Planning Policy (Major Development) 2005*, and Planning Circular PS13-0002, issued 14 March 2013, "Calculating the genuine estimated cost of development". Under the policy, the CIV has the same meaning as in the *Environmental Planning Assessment Regulation 2000* amended 7 May 2010 to the following;

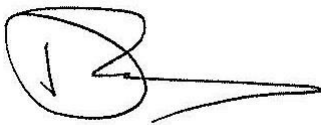
Capital investment value of a development or Project includes all costs necessary to establish and operate the Project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

- a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the *Environmental Planning and Assessment Act* or a planning agreement under that Division
- b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval
- c) land costs (including any costs of marketing and selling land as well as property purchase)
- d) GST (as defined by *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth).

Based upon the above definition we estimate the CIV for the Project to be **\$403,669,551** (excl GST), as per the estimate in the attached report.

Should you require any further information or wish to discuss any aspect of the attached please do not hesitate to contact us.

Yours faithfully,
WT Partnership



David Quincey
State Director

Summary of Estimate

ITEM DESCRIPTION	WTP ASSESSMENT
Narrabri Stage 3 (Up to FY2024 only)	
Underground Coal Clearance System	\$ 45,856,397
Underground Services	\$ 7,996,171
Ventilation & Gas Management	\$ 28,125,000
Underground Infrastructure	\$ 4,013,568
Underground Services Surface Facilities	\$ 10,888,080
Power Supply	\$ 11,747,538
Project costs NCO Stage 3	\$ 50,892,035
Project Management and Engineering	Incl.
Owner's Costs & Indirects	\$ 23,100,000
Mains	\$ 221,050,762
Allowance for Source Accuracy (Contingency)	Incl.
TOTAL PROJECT CAPITAL COST	\$ 403,669,551

Narrabri Mine Stage 3

CAPITAL INVESTMENT VALUE REPORT

19.12.2019 R2b



CONTENTS

NARRABRI STAGE 3

1	CONTACT	3
2	SUMMARY OF ESTIMATED COST	4
3	SCHEDULE OF INFORMATION USED	5
4	SCOPE OF WORKS	5
5	METHODOLOGY	5
6	SCHEDULE OF EXCLUSIONS	5
7	CONCLUSION	6
	APPENDIX A – DETAIL OF ESTIMATE	7

1 CONTACT

DETAIL	DESCRIPTION
NAME OF COMPANY/TRADING NAME	WTP Australia Pty Ltd
ABN	69 605 212 182
NAME OF REPRESENTATIVE	David Quincey
POSITION	State Director
HEAD OFFICE ADDRESS	L 26, 45 Clarence Street, Sydney, NSW 2000
TELEPHONE	02 9929 7422
MOBILE	0428 480792
EMAIL	dquincey@wtpartnership.com.au

DOCUMENT STATUS	NAME	DATE
PREPARED BY:	H Hoang Koay	19 December 2019
REVIEWED BY:	D Quincey	19 December 2019
e-SIGNATURE APPROVED		

REVISION NO.	REVISION DATE	DRAFT / FINAL
Rev 0	29 October 2019	Draft for review
REV 1	6 November 2019	2 nd Draft for Review
REV 2A	19 December 2019	3 rd Draft for Review
REV 2B	05 May 2020	FINAL

2 SUMMARY OF ESTIMATED COST

This Capital Investment Value (CIV) estimate has been prepared in accordance with the Environmental Planning and Assessment Regulations (2000), and totals **\$403,669,551**. The breakdown of this value is tabled below, with the detail in Appendix A.

ITEM DESCRIPTION	WTP ASSESSMENT
Narrabri Stage 3 (Up to FY2024 only)	
Underground Coal Clearance System	\$ 45,856,397
Underground Services	\$ 7,996,171
Ventilation & Gas Management	\$ 28,125,000
Underground Infrastructure	\$ 4,013,568
Underground Services Surface Facilities	\$ 10,888,080
Power Supply	\$ 11,747,538
Project costs NCO Stage 3	\$ 50,892,035
Project Management and Engineering	Incl.
Owner's Costs & Indirects	\$ 23,100,000
Mains	\$ 221,050,762
Allowance for Source Accuracy (Contingency)	Incl.
TOTAL PROJECT CAPITAL COST	\$ 403,669,551

3 SCHEDULE OF INFORMATION USED

3.1 INFORMATION RECEIVED

The following documents have been used in the preparation of the estimate:

DOCUMENT TITLE
WHITEHAVEN COAL LIMITED – NARRABRI STAGE 3 PRE-FEASIBILITY STUDY, DECEMBER 2018
K1 801 NARRABRI STAGE 3 PFS REV C1 DRAWINGS
CAPITAL COST ESTIMATE REV. B4 DATED 3 OCTOBER 2018
NARRABRI CAPEX SCENARIO ANALYSIS (UNDATED)
NARRABRI CAPEX SCENARIO ANALYSIS UPDATED CIV (UNDATED)

4 SCOPE OF WORKS

Whitehaven Coal Limited is seeking development consent for Narrabri Stage 3 (the Project) which is the transition of mining operations to the southern side of the current main headings and includes options for the extraction of resources within the adjacent Exploration Lease (EL6243) as well as within the Mining Lease (ML1609).

WT Partnership (WT) have been instructed by the client (Whitehaven Coal Limited), to prepare a Capital Investment Value letter & estimate report for this proposed scheme.

5 METHODOLOGY

WT Partnership has prepared this Capital Investment Value (CIV) estimate for the Narrabri Mine Stage 3 (the Project) in accordance with the definition contained in the *State Environmental Planning Policy (Major Development) 2005*, and Planning Circular PS13-0002, issued 14 March 2013, "Calculating the genuine estimated cost of development". Under the policy, the CIV has the same meaning as in the *Environmental Planning Assessment Regulation 2000* amended 7 May 2010 to the following;

Capital investment value of a development or Project includes all costs necessary to establish and operate the Project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

- amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the *Environmental Planning and Assessment Act* or a planning agreement under that Division
- costs relating to any part of the development or project that is the subject of a separate development consent or project approval
- land costs (including any costs of marketing and selling land as well as property purchase)
- GST (as defined by *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth).

WT were provided with a scope and estimates including subsequent updates prepared by Whitehaven, along with details of the Project. WT undertook a detailed review of the estimate and its build-up against the scope and standard business and operational practices.

The estimate is at current day (2019) values. A contingency in a form of allowances has been included for accuracy/growth, this being expected increases in quantities and item scopes as the design develops and works are undertaken. This contingency equates to 19.6% for the bulk of the total estimate which is considered reasonable given the status of the respective designs. Project management and engineering are based on a 48 month construction period. In addition, the capital costs have been taken to 2024, when “first coal” is expected. All the development costs after this date are assumed to not be capitalized.

6 SCHEDULE OF EXCLUSIONS

The following items have been excluded from the estimate:

- Owner’s Voluntary Planning Agreement values
- Escalation (Estimate is based on present worth)
- Land and Compensation Costs for affectation zone
- Planning Fees
- Sustaining, overhaul and replacement costs.

7 CONCLUSION

WT assessed the information provided and reviewed the scope in order to evaluate the Projects Capital Investment Value estimate. Specific details on the ongoing operations and the proposed new operations, and how these are to interact during the development, are yet to be finalised by Whitehaven as the Project is still being developed. Details of scope and the consequent direct costs are therefore likely to change as the Project is further developed, but this will be offset by a reduction in risk costs with the Project value anticipated to remain within the range anticipated by the capital investment value advised herein.

The development of the cost is an ongoing process and will need to be further refined during the preliminary design and pre-tender stage in order to develop more detailed project specific costing based on the further design and project development.

Taking into considerations the limitations stated above, the Capital Investment Value of the proposed Project has been determined to be **\$403,669,551** (excluding GST).

APPENDIX A – DETAIL OF ESTIMATE



NOT INCLUDED IN THIS COPY

SERVICES

WT Partnership is an international consultancy providing independent cost management and other specialist advisory services for the property and construction industries.

We work in partnership with our clients and their advisers at all phases of the project development process, giving professional, timely and reliable advice on all aspects of cost, value and risk.

Our goal is the achievement of our client's ultimate commercial objectives through optimised cost solutions.

- QUANTITY SURVEYING AND CONSTRUCTION COST MANAGEMENT
- INFRASTRUCTURE COST ENGINEERING
- BUILDING AND ENGINEERING SERVICES COST MANAGEMENT
- FACILITIES MANAGEMENT CONSULTANCY AND COST CONTROL
- TECHNICAL ADVISORY SERVICES
- SUSTAINABILITY
- CONTRACT CLAIMS AND DISPUTE SERVICES
- INDEPENDENT COMMISSIONING MANAGEMENT
- PROJECT DELIVERY