



ASX Announcement

18 July 2016

ASX: DSB

Board of Directors

Chairman – G Dawkins

Chief Executive Officer – N McAlary

Managing Director – S Bizzaca

Non-executive Director – G Garside

Company Secretary

M Etcell

Principal Contact

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Delta secures whole of mine operations contract

Delta SBD Limited (ASX: DSB) (**Delta** or **Company**) wishes to announce the execution of a Mining Services Agreement (**Agreement**) with Wollongong Coal Limited for a whole of mine operation at its Wongawilli Coal Mine in the Illawarra region in NSW.

Delta is to be appointed as operator of the mine and will supply coal extraction equipment, an experienced management team and workforce to produce coal from the mine.

The Agreement is based on a AUD per tonne arrangement and has a 20 month project supply schedule for 1.45 Mt.

Contract negotiations began in 2015, with a letter of intent executed in December 2015, as previously advised to the ASX. The current plan is to produce coal in July 2016 with the first shipment of coal from the mine scheduled for Q1 FY2017. During the recent period, the mine has undergone operational preparedness works and negotiations to identify roles and responsibilities.

Mr Neville McAlary, Delta's Chief Executive Officer, stated *"the platform is now set for the project team and experienced workforce to seize a real opportunity"*.

Delta is confident that the required production levels can be achieved at Wongawilli. *"It is a real benefit that Delta has recently overhauled relevant equipment for the project and this will supply the experienced workforce with both safety and production fundamentals"* McAlary added.

It is understood that coal from the mine will be traded into the Asian steel production market that has an increasing demand for Australian coking coal.