



## Media Release

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## Riversdale and Tata Steel approve initial development of Benga Coal Project in Mozambique

**Riversdale Mining Limited (ASX: RIV or “the Company”) and Tata Steel Limited (“Tata”) are pleased to announce the approval of Stage 1 of the Benga Coal Project in the Tete Province of Mozambique.**

Following the review of the Feasibility Study by project partners Riversdale Mining (65%) and Tata Steel (35%), the project was approved by the joint venture company responsible for the Benga Coal Project.

The project approval involves the commitment of US\$270 million (excluding working capital) to undertake the initial Stage 1 development of the Benga Coal Project. Stage 1 entails initial production of 5.3 million ROM tonnes per year to produce approximately 1.7Mtpa of high quality hard coking coal and 0.3Mtpa of export thermal coal.

Funding for Stage 1 of the project will be provided by Riversdale Mining and Tata Steel in their respective proportions from existing cash resources or any alternative means as appropriate. Riversdale Mining currently has A\$268million cash to fund its share (US\$175million) of the project.

Riversdale Mining Executive Chairman Mr Michael O’Keeffe said that the decision represented the official go-ahead for the company’s coal mining operations in Mozambique. Construction is expected to commence before year end upon receipt of final environmental approvals.

“We are committed to bringing the Benga Coal Project into first production during 2010, and we will be supplying the world’s coking coal markets in 2011 initially through our relationship with project partner Tata Steel in India,” Mr O’Keeffe said.

The Feasibility Study outlines three stages of development to align with the completion and subsequent expansion of rail, port and river barging infrastructure in Mozambique.



A Stage 2 expansion by 2014 will include the installation of a second module of the coal preparation plant and increase ROM production to 10.6 million ROM tonnes per year to produce 3.3Mtpa high quality hard coking coal and 2Mtpa export thermal coal.

The final stage is anticipated to increase coal production to approximately 20 million ROM tonnes per annum through installation of two additional coal preparation plant modules. The decision on the timing of the future expansion stages will depend, amongst other things, on future coal market conditions and the availability of port, rail and barging capacity at that time.

**Steve Mallyon**  
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