



# Quarterly Report

## October to December 2015



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### Highlights

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| • Application to extend the current Wongawilli Pt3A approval until 2020 has been approved |
| • Wongawilli Colliery to commence operation in the fourth quarter                         |
| • US \$225.21 million loaned amount restructured  |





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### Production and Sales

	Russell Vale Colliery		Wongawilli Colliery		WLC Totals	
	Jul – Sep 2015	Oct – Dec 2015	Jul – Sep 2015	Oct – Dec 2015	Jul – Sep 2015	Oct – Dec 2015
Development Metres	375	-	-	-	375	-
ROM Production	37,580	-	-	-	37,580	-
Saleable Production	37,580	-	-	-	37,580	-
Sales	88,000	22,347	0	1,149	88,000	23,496

### Russell Vale Colliery

Following the decision to place the Russell Vale Colliery on Care and Maintenance on the 1st September 2015, a program of restructuring the operations has continued.

A small Care and Maintenance team remains at the colliery to ensure protection of the asset and infrastructure including monitoring and maintenance of dewatering infrastructure and strata management activities as required.

No production was completed during the Quarter.

### Wongawilli Colliery

Following a successful Modification to the original NSW Environment and Planning Act Part 3A Approval in December, Wollongong Coal announced its intention to recommence operations at Wongawilli.

It was also announced (recently) that mining contractor Delta SBD will oversee and manage the recommencement of operations at Wongawilli. Under the arrangement, Delta will provide technical expertise, personnel and equipment services at the colliery as well as manage day to day operations. Additional resources have now been put in place to focus on commissioning colliery infrastructure to allow mining operations to recommence in Q4.

## Health, Safety, Environment & Community

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### Health & Safety

Following the decision to place the Russell Vale Colliery under Care and Maintenance, there has been a review of the Health and Safety Management system to bring the system in line to the new operational requirements



Incidents that occurred during the July - September Quarter were:

Russell Vale:

- 14 incidents
- 3 notifiable incidents
- 4 injury reports
- 2 medically treated injuries

Wongawilli:

- 3 incidents - notifiable
- 7 injury - report only

### Environment & Community



#### Russell Vale Colliery

There was 1 anonymous complaint during the period regarding truck noise as well as small coal and dust falling onto road from tailgate of a specific truck. Investigation by Wollongong Coal determined that the truck in question met RMS road use guidelines. Truck operators were required to increase their visual inspections of trucks prior to leaving site to ensure that no dust or coal was in a position to fall to the road during transport. This information was unable to be relayed to the anonymous complainants as no details were left. No further actions were required with regard to the complaint.

On 7 December 2015, approximately 70 tonnes of coal fines entered Bellambi Creek as a result of a faulty stockpile spray washing material from the stockpile into an unsealed access portal into a Bellambi Creek diversion pipe. The incident was immediately reported to the Environment Protection Authority (EPA) and WCL commenced action to remove approximately 500 tonnes of coal fines from the creek within its property boundary. Subsequent heavy rains removed the material from the remainder of the creek and no further action was required. There was no significant ecological impact identified as a result of the incident. No further action has been taken by the EPA at this point.

On 3 February 2015, a Public Hearing was held by the NSW Planning Assessment Commission (PAC) on the Preferred Project Report (PPR) for the

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Underground Expansion Project Pt3A (UEP) approval application prior to releasing its merit Review Report on the proposal.

The PAC Review Report was submitted to the NSW Department of Planning and Environment (DPE) on 8 April 2015. WCL has now completed its response to the Recommendations in the PAC Review Report.

The DPE has prepared an Assessment Report and forwarded this report to the PAC which held a second Public Hearing on 8 December 2015. The PAC is likely to release its second merit Review Report in early 2016.

A Referral under the federal Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act) has been submitted to the Department of the Environment (DoE) to address relevant Matters of National Environmental Significance (MNES) that are listed in the EPBC Act and may be affected by the Underground Expansion Project longwall extraction. An EIS was placed on Public Exhibition between 28 April and 25 May 2015 with total 1941 public submissions received.

The EIS was amended to address relevant issues from the public submissions and resubmitted to the DoE for assessment on 9 July 2015. The DoE has accepted the amended EIS and is now waiting for the NSW DPE approval process to be completed. Once the determination is made in NSW the information will be forwarded to DoE for final determination of the EPBC Referral.

### Wongawilli Colliery

There have been no environmental incidents or complaints during the quarter. All approvals remain current although the major Pt3A approval (MP09\_0161) for the operation of the colliery was lapsing on 31 December 2015.

An application has been approved extending the current Pt3A approval until 2020 to allow extraction of the remaining approved coal blocks in the Nebo and Elouera areas. All subsidiary environmental approvals have been sought and obtained to allow extraction to commence in the fourth quarter.

A real time air and noise monitoring system has been installed and commissioned on 23 December, 2015, in compliance with current approval requirements. This system involves real time noise monitoring, weather monitoring and air quality monitoring of PM2.5 and PM10 particles.

### Operational Update

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#### Russell Vale Colliery

A program of addressing strata areas only available during shutdown periods has been focused on to allow higher operational hours when colliery operations eventually recommence.

#### Wongawilli Colliery

The Care and Maintenance team continues to ensure operational compliance, as well as focussing on maintaining existing infrastructure in an operational condition.

The decision to resume operations triggered preparation plans for operational readiness. This included recommissioning production equipment and support infrastructure that was parked up during Care and Maintenance.

Planning and constraints analysis continues for the Wonga South Project. This is coupled with the collation of environmental data and data studies for the planning process.



### Corporate & Financial

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#### **\$150 million Facility agreement**

To assist the Company with its cash flow parent entity, Jindal Steel & Power (Mauritius) Limited, has provided a facility to \$150 million.

To date, the Company has withdrawn around \$138.7 million and not paid any interest.

#### **US \$630 Foreign Currency Term Loan**

As announced earlier, the Company with the support of and guarantee from its parent entity, Jindal Group has been working with its existing consortium of banks (Lenders) to obtain a Foreign Currency Term Loan of US \$630 million approximately in two Tranches – to repay existing loans and to part-finance capital expenditures.

To date, US \$225.21 million has been disbursed by few of the Lenders to the Company through Jindal Steel & Power Australia Pty Ltd. Funds were used to repay existing loans, which were classified as current liabilities in accordance with AASB101. The Company continues to work with remaining Lenders for their shares.

#### **Unlisted Convertible Bonds and Employee Options**

40 bonds with face value of \$50,000 each have been redeemed by the Company.

1,000,000 directors' options with exercise price of \$0.60/share and 200,000 employee options with an exercise price of \$0.50/ share expiring on 31 December 2015 have now been lapsed.

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### Capital Structure as on 29 Jan 2016

Shares on issue	6,894,913,576
Unlisted options	10,650,000
Unlisted Bonds (\$50,000 face value)	160

### Board of Directors

Mr Ashish Kumar – Chairman & non-executive director  
Dr Andrew Firek – non-executive director  
Mr Maurice Anghie – non-executive director  
Mr Azad Bhura – non-executive director

### Chief Executive Officer

Mr Milind Oza

### For Further information

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### Business Address

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