



Quarterly Report

April to June 2016



Wongawilli Colliery

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Production and Sales

	Russell Vale Colliery		Wongawilli Colliery		WLC Totals	
	Jan - Mar 2016	Apr - Jun 2016	Jan - Mar 2016	Apr - Jun 2016	Jan - Mar 2016	Apr - Jun 2016
Development Metres	-	-	-	-	-	-
ROM Production	-	-	-	-	-	-
Saleable Production	-	78,611	-	-	-	78,611
Sales	-	78,611	-	-	-	78,611

Russell Vale Colliery

The Russell Vale Colliery remains on Care and Maintenance. A small Care and Maintenance team are managing the asset with activities focused on maintaining equipment operability and the underground environment. Cost reduction remains a focus with ongoing review and optimisation of maintenance programs during the care and maintenance period.

No production was completed during the quarter although 78,611 tonnes of existing inventory was sold.

Wongawilli Colliery

The small Care and Maintenance team at Wongawilli Colliery is well advanced on preparation and recommissioning works associated with achieving Operational Readiness.

During the Quarter extensive recommissioning was completed of Continuous Miners, Shuttle Cars, Feed Breakers, Auxiliary Fans, Conveyor system and other mining equipment to allow production to recommence.

Cost minimisation has been a key goal with maximum utilisation of currently idle Russell Vale Colliery equipment.

As previously announced recommencement of operations is scheduled in July 2016 and Mining Services Agreement with Delta SBD Limited for mine operation has been executed.

Health, Safety, Environment & Community

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 quarter were:

Russell Vale Colliery

5 Incidents

1 Injury

Wongawilli Colliery

3 Incidents

3 Injuries

All injuries were only minor in nature requiring minimal first aid only.

Environment & Community



Russell Vale Colliery

There have been no incidents and six complaints received during the quarter. Out of six complaints, four complaints were related to trucking operation, one was related to dust pollution and one was related to water pollution.

A Public Hearing was held by the NSW Planning Assessment Commission (PAC) on the Preferred Project Report (PPR) for the Underground Expansion Project Pt3A (UEP) approval application prior to releasing its merit Review Report on the proposal. The PAC released its second merit Review Report on 31 March 2016. WCL is reviewing the findings, conclusion and recommendation of the report and preparing a response strategy.

Wongawilli Colliery

There have been no complaints or incidents during the quarter. A report outlining preventative measures has been submitted to regulators during the quarter. The report was related to three very minor environmental events occurred during the last quarter.

The current Pt3A approval has been extended 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 first quarter of FY2016-17.

Corporate & Financial

\$175 million Facility Agreement

To assist the Company with its ongoing funding requirements, its major shareholder Jindal Steel & Power (Mauritius) Limited has provided a short-term drawdown facility for cash advances with a limit of Aus \$175 million.

To date, the Company has withdrawn around \$170.94 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 \$386.29 million has been disbursed by some of the Lenders to the Company through Jindal Steel & Power Australia Pty Ltd. Funds were used to repay existing loans. The Company continues to work with remaining Lenders.

Unlisted Convertible Bonds

Upon receipt of conversion notices for remaining 160 bonds with face value of \$50,000 each (plus accrued interest), the Company issued 1,019,726,268 ordinary shares on 5 February 2016 and further 1,452,337,412 ordinary shares were issued on 5 May 2016 after obtaining shareholders' approval at the Extraordinary General Meeting held on 5 May 2016.

The above mentioned 2,472,063,680 ordinary shares will be released from voluntary escrow on 5 August 2016.

The Bondholder has commenced legal proceedings seeking declarations that the notices of conversion were validly exercised, that WCL was unable to convert the shares and that the Bondholder is entitled to have the bonds redeemed or alternatively damages paid (both in the amount of \$8 million

plus interest). The Company will defend these proceedings.

Change of the Company's Auditor

As part of its corporate cost review and after considering proposals from a number of audit firms, the Company has appointed Hall Chadwick as its auditor effective from 24 May 2016 following Ernst & Young resignation and ASIC consent.

Shareholders' approval will be sought for Hall Chadwick's re-appointment and continuation as the auditor of the Company at the upcoming annual general meeting.

Annual General Meeting

The Company's 12th annual general meeting will be held at 2:00pm AEST on 31 August 2016 at:

The Dalton Room
Quality Suites Pioneer Sands
19 Carters Lane
TOWRADGI NSW 2518

Capital Structure as on 28 July 2016

Shares on issue	7,914,639,844
Unlisted options	8,650,000

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



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Chief Executive Officer

Mr Milind K Oza

For Further information

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Business Address

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