



Quarterly Report

July to September 2016



Wongawilli Colliery

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Production and Sales

	Russell Vale Colliery		Wongawilli Colliery		WLC Totals	
	Apr - Jun 2016	Jul - Sept 2016	Apr - Jun 2016	Jul - Sept 2016	Apr - Jun 2016	Jul - Sept 2016
ROM Production	-	-	-	38,260	-	38,260
Saleable Production	78,611	-	-	38,260	78,611	38,260
Sales	78,611	139,244*	-	-	78,611	139,244

*9,235 tonnes were sourced from a third party.

Russell Vale Colliery

The Russell Vale Colliery remains on Care and Maintenance. A small Care and Maintenance team are managing the asset with activities currently focused on equipment maintenance and management of the underground work environment.

No production was completed during the quarter as the mine remains on Care and Maintenance. 130,009 tonnes of remaining coal stockpiled plus 9,235 tonnes sourced from a third party were sold during the quarter.

Wongawilli Colliery

During August 2016, mining production recommenced at Wongawilli mine with the first coal production coming from the N4 Production Panel. This is the first panel to be extracted by Contractor Delta SBD (Delta). This follows six months of planned works to recommission all aspects of the Wongawilli mine.

Delta is now fully mobilised to site with pillar extraction activities continuing in N4 panel and the second production unit now completing development activities in N3 panel in preparation for pillar extraction to commence at the end of the Oct-Dec Quarter 2016. At this stage Wongawilli is expected to reach annualised production levels of 800kt per annum.

In total 38,260 tonnes of initial production was reported for the Quarter primarily from the N4 panel.

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

The only Injury recorded in the Quarter at Russell Vale was a Care and Maintenance Manager receiving medical treatment when his finger was caught in a pinch point.

Wongawilli Colliery

Operations to extract coal have now commenced at Wongawilli Colliery and Delta has implemented a Health and Safety Management System compliant with relevant Health and Safety legislation.

No significant medical treatment injuries were recorded during the Quarter.

Environment & Community



Russell Vale Colliery

There have been no incidents and five complaints received during the quarter. All five complaints were related to truck noise along Bellambi Lane and Memorial Drive.

Work was completed on an Order from the Department of Planning and Environment (DPE) requiring the removal of all coal stockpiled on site by 30 September 2016.

The 3 yearly Independent Environmental Audit was undertaken and a number of recommendations were submitted to the DPE by the Auditor. WCL responded to the recommendations and is awaiting further directions from the DPE prior to commencing works.

An automated water monitoring system was installed in Bellambi Gully Creek as required by an amendment to the site's Environment Protection Licence. WCL continues to liaise with the Environment Protection Authority regarding clean and dirty water management on site.

A Care & Maintenance Mine Operations Plan (MOP) was submitted to the Department of Industry, Division of Resources and Energy (DRE) on 30 September 2016 as required by various mine lease conditions. The MOP is currently under assessment by DRE.

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. The Company has challenged PAC's review in the Land and Environment Court (Court). The matter was heard on 22 September and the Company is currently waiting for the Court's decision.

Wongawilli Colliery

There have been no complaints or incidents during the 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. Further subsidiary environmental approvals are being prepared to increase areas for extraction in the FY2016-17 and beyond.

The 3 yearly Independent Environmental Audit was undertaken and a number of recommendations were submitted to the DPE by the Auditor. WCL has responded to the recommendations and is awaiting further directions from the DPE prior to commencing works.

Corporate & Financial

Cash Advances Facility Agreement

A short-term drawdown facility for cash advances (Facility) with a limit of Aus \$175 million from its major shareholder Jindal Steel & Power (Mauritius) Limited (JSPML) has been increased to Aus \$200 million.

To date, the Company has withdrawn around \$174.00 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 \$386.39 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 Lenders for the remaining amounts.

A default notice was issued by Mauritius Commercial Bank (MCB) for unpaid sum of US \$13.33 million consisting of instalment repayments plus interest. Since then, interest of US \$700k approximately has been paid and Company remains in negotiation with MCB for refinancing and restructuring their loan.

The Company has received a letter from MCB indicting their in-principle agreement to restructure their loan. The said letter doesn't provide any waiver for defaults; however, it does indicate that they have instructed their legal counsel to cover specific waivers for all defaults until the date of execution of the restructuring documentation.

Litigation by Mr Jasbir Singh

The Company was defending a claim from Mr Jasbir Singh, former CEO and nominee director, for repudiation of an alleged employment contract. The litigation has been resolved and fully settled. The terms of settlement are confidential.

Capital Structure as on 26/Oct/2016

Shares on issue	9,366,977,256
Unlisted options	7,000,000

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

Chief Executive Officer

Mr Milind K Oza

For Further information

Contact: Mr Sanjay Sharma
Company Secretary

Phone: +61 (2) 4223 6830

Fax: + 61 (2) 4283 7449

Business Address

7 Princes Highway (Corner Bellambi Lane)
Corrimal, NSW 2518