



December 14 2009

Coal Industry to Progress Wiggins Island Coal Terminal

Northern Energy Corporation Limited (NEC) welcomes the execution of the Wiggins Island Framework Deed between the Queensland Government, Gladstone Ports Corporation and Wiggins Island Export terminal Pty Ltd (WICET) whose 18 producer members include NEC.

The Deed executed on December 11 2009, provides the industry with the opportunity to develop and own the new 70 million tonne per annum facility.

The industry will be entitled under the agreement to control project planning, development and budgets using an industry-funded delivery model which will facilitate the timely construction of this important coal infrastructure without the need for government financing.

Northern Energy Corporation's Managing Director Mr Keith Barker said the Wiggins Island project was an important and necessary element in the coal transport infrastructure chain's expansion to provide NEC's Elimatta and Yamala projects with access to the export coal market.

WICET is working towards achieving financial close by July 2010 which would enable terminal operations to commence in 2013.

Mr Barker said the agreement with the Queensland Government marked another milestone for both NEC and Queensland's coal industry.

"With the new ownership structure of the project now agreed, the industry can focus on finalising the financing arrangements required to commence construction of this port project," Mr Barker said.

"NEC continues to progress exploration and evaluation of its projects with the objective of participating in the development of the Wiggins Island Project."

A copy of the media statement by the Queensland Premier is attached.

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**Premier and Minister for the Arts
The Honourable Anna Bligh**

Friday, December 11, 2009

Green light means bright future for Gladstone

The Queensland Government has signed the mandate that gives the green light to the new Wiggins Island Coal terminal, which could now be under construction from mid 2010.

Premier Anna Bligh said the mandate means the Wiggins Island Coal Export Terminal (WICET) group of 18 coal companies will develop and own the new coal terminal.

"Wiggins Island Coal Terminal is a four billion dollar project that will create up to 800 jobs in construction and 300 ongoing jobs in Gladstone and help power the Queensland economy for years to come," she said.

"At its completion it has the capacity to double the coal exports out of Gladstone to 150 million tonnes per annum.

"This is about making sure Queensland gets the absolute maximum benefit out of the resources boom that many economists have forecast.

"This news will be a magnificent Christmas present for the people of Gladstone who have faced the brunt of the global financial crisis in Queensland.

"WICET's confidence in this project is evidence of a bright future for this region and for Queensland."

Under the mandate the WICET coal exporters will act as owner, developer and lessee of the new port and Gladstone Ports Corporation will act as lessor and operator of the terminal.

"WICET is now able to proceed to the next stage of development," Ms Bligh said.

The terminal will be financed and owned by its industry users while the government will operate it through the expertise of Gladstone Ports Corporation (GPC).

Ms Bligh said with GPC operating both WICET and the RG Tanna Coal Terminal an efficient coal supply chain out of Gladstone was ensured into the future.

"WICET is currently seeking expressions of interest from coal producers requiring new or additional export capacity through the new terminal," she said.

To complete the planning stages WICET will seek commitments to enter Take or Pay contracts with sufficient future terminal users to secure funding for the initial development.

"The financial close for those commitments is expected by July next year after which WICET expect construction to commence."

The Premier said this was a wonderful outcome for industry in the Gladstone region.

"This project brings together some of the most experienced bulk commodity ports industry users and operators under one banner, creating many efficiencies for the industry, government and the community," she said.

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