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MALABAR COAL WELCOMES RENEWAL OF EL5460

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Malabar Coal Limited (“Malabar”) has welcomed the news that the NSW Minister for Resources, the Hon. Don Harwin MLC and the NSW Department of Planning and Environment have renewed Exploration Licence (“EL”) 5460.

The renewal gives Malabar the opportunity to develop and submit a proposal for a vastly different, underground-only mine on the site. The proposal will now be known as “Project Maxwell”.

Of course, any future proposal must pass through the State’s stringent, independent planning processes.

At Malabar’s request, the company’s commitments, which include to only mine underground and to relinquish the portion of the EL to the south of the Golden Highway, have been written into the EL and are now legally binding.

Malabar Coal also appreciates that the NSW Government will be adding an additional layer of protection, a State Environmental Planning Policy (SEPP), that is designed to provide additional certainty that only an underground project can be developed in that area.

Malabar Coal Chairman, Wayne Seabrook, thanked the NSW Government for the opportunity to produce a scientific basis for an underground mine at the site that meets the high expectations of the local community.

“We are very pleased to be provided with this opportunity to develop a vastly different proposal for a future underground mine on the site.

“With the exploration licence renewed, we will now turn our attention to undertaking the very rigorous and detailed technical studies required to prepare a development application, which will incorporate the existing Drayton Mine infrastructure.

“If approved, Project Maxwell will create around 350 new direct jobs into the local community, \$1.7 billion in royalties over the initial 30-year period, \$600m per year in export income for NSW, \$55m per year in wages and \$100m per year in taxes.

“We are confident that, by mining underground, we can address concerns about past open-cut proposals.

“An underground approach will make a dramatic difference in terms of impacts associated with dust, light, blasting, and noise. It will also mean the mine cannot be seen or heard from the local horse studs, which will be at least 5km away from the mine entry, and 15km away from the existing coal processing and rail infrastructure.

“As we have to date, we will continue to work closely with the local community to ensure that any concerns they may have are addressed in any future application.

“This is a common-sense decision from the NSW Government that recognises that rural communities need diverse economies if they are to continue to thrive. The Hunter Valley is a perfect example of this. For well over a century many different sectors have worked side by side here, creating a wide range of jobs for a wide range of people. A new mine at EL 5460 would allow that to continue for generations to come” Mr Seabrook said.

The EL renewal gives Malabar exclusive rights to investigate the quality and quantity of coal resources in the designated area. It does not permit mining and it does not guarantee a mining or production lease will be granted.

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