

ABBOT POINT MAY BE BIGGEST

Extract from the Bowen Independent Newspaper—30th April 2010

Abbot Point has the potential to be the biggest coal-loading facility in the world.

The port is poised to expand to a 110 million tonnes capacity, with North Queensland Bulk Ports Corporation announcing this week it had awarded preferred developer status to BHP Billiton and Hancock Coal Pty Ltd for two new terminals. The new coal terminals will be single user terminals, providing both BHP Billiton and Hancock Coal the capacity to export 30 million tonnes.

Meanwhile, research has already started looking into a 230 million tonnes capacity. Newcastle is now the world's biggest coal port, but it has expansion plans to go from 112 million to beyond 150 million tonnes.

NQBPC Board chair Leonie Taylor said this week both BHP Billiton and Hancock Coal had already expressed interest in increasing capacity at Abbot Point to 50 Mtpa for BHP Billiton and 60 Mtpa for Hancock Coal”.

“This, of course, would be subject to investigations and approvals,” she said. “The Port of Abbot Point is situated next to the State Development Area offering enormous potential for industry growth and is a strategic port positioned to respond to industry demand,” she said.

The two new terminals will be located adjacent to the existing government owned coal terminal, which is currently undergoing upgrades to increase capacity to X50.

Mayor Mike Brunner welcomed the new terminal announcements. “This is great news for Bowen, and hopefully, the end game now is a multi-cargo facility,” he said. “This news is also a boost to the state development area prospects, which can lead to things like LNG projects out there.”

Ms Taylor said the BHP Billiton and Hancock projects had the potential to “deliver a massive economic injection” to central and northern Queensland.

The proposed BHP coal terminal would be fed by Queensland Rail's Newlands coal rail system.

BHP Billiton was one of five coal companies that signed a commercial agreement to get the Northern Missing Link project under way. The Hancock Coal proposal is a comprehensive mine-to-port proposal which includes a purpose-built rail line from the Galilee Coal Basin to its coal terminal at the Port of Abbot Point.

“The preferred developers were chosen because they offer the best opportunity to optimize the use of the land and achieve the best tonnage throughput,” Ms Taylor said. “There will be significant upfront capital investment to build the terminals and associated rail infrastructure, increased mining royalties for the state and both direct and indirect job creation from mine to port,” she said.

“NQPBC will now negotiate detailed framework agreements, which will underpin the planning and development of the terminals.” While there was no mention of the Waratah Coal Galilee basin project plans to use Abbot Point, a NQBPC spokesperson said it “could be a player at any stage. There is so much potential for growth and export in that area,” she said. “In the next five years there could be a multitude of coal companies in that space.”

However, the spokesperson said proposals for Abbot Point were a “moving feast”. “When you see what is involved with approvals, and the environmental things that need to be taken into consideration, it could change,” she said.

“What we have done now is identified those who met the selection criteria in developing the capacity that there. “That is the first step in seeing it develop.”

The spokesperson also said research was under way into expanding to X230 capacity.