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## Quarterly Activities Report 30 April 2013

	Quarter Ended			9 months ended		
	Apr 13 ('000t)	Apr 12 ('000t)	Change (%)	Apr 13 ('000t)	Apr 12 ('000t)	Change (%)
Raw Coal Production	2,467	3,071	- 20%	8,315	9,208	- 10%
Saleable Coal Production	1,217	1,605	- 24%	4,257	4,811	- 12%
Coal Sold	1,575	1,615	- 2%	4,315	4,779	- 10%
QBH Export Throughput	2,020	2,300	- 12%	6,250	6,565	- 5%

### COAL OPERATIONS

During the quarter further production shutdowns were implemented to manage high levels of coal stocks which developed following heavy rainfall and rail outages in January and February. These shutdowns had a negative impact on production for the quarter with raw coal production down 20% on the previous corresponding period and clean coal production down 24%.

Management continues to pursue prudent cost reduction initiatives across all operating sites due to the current difficult market conditions. With effect from late April, operations at the higher cost Jeebropilly mine have been scaled back from 6 days to 5 days in order to minimise costs during the current downturn. In conjunction with the cessation of mining operations at Oakleigh in January, this will result in annualised production from the West Moreton operations reducing to levels of approximately 0.7 million tonnes, previously 1.1 million tonnes. Acland production levels remain unchanged at 4.8 million tonnes per year.

Sales for the quarter were impacted by the rail line outage, although shipping recovered quickly after railing from Acland was resumed in mid-February and improved sales of 1.575 million tonnes were achieved, 2% below the prior corresponding period.

Exports from QBH were also lower with all colliers shipping less coal when compared to the prior corresponding quarter.

Safety performance continues to improve across all operations with a Behavioural Safety Program currently being introduced.

In response to perceived issues concerning dust from trains in the Brisbane rail corridor, a load profiling and veneering station has been installed at Acland.

## **EXPLORATION**

During the quarter drilling was undertaken at Acland and the Moonamarra minerals tenement in North Queensland. 69 holes were drilled totalling 5,162 meters of chip and core.

### **New Acland (ML50216, ML50170 and MDL244)**

A core hole drilling program (10 holes) has been completed on MDL 244 (Acland Expansion area) with analysis currently underway and all rehabilitation completed.

On the mining leases the 2012 grade control core hole program (56 holes) has now been completed and bulk samples have been taken for the Balgowan seams.

### **New Lenton (ML70337)**

Core samples have been sent to the laboratory for geochemical analysis which will feed into the Environmental Impact Statement (EIS). The 2013 modelling work has commenced, with the structural model completed and the coal quality model in progress.

Cultural heritage clearances have been received for the next stage of 2D and 3D seismic surveys across a 1.5km<sup>2</sup> area.

### **Bee Creek (EPC 777)**

The 2013 drilling campaign will commence in May with 21 holes planned to confirm the regional geology by intersecting the Rangal and/or Moranbah coal measures. Targets identified during the 2008 mapping program will be drilled to confirm or deny the presence of coal related to the program.

### **Churchyard Creek (EPC 1876)**

No exploration activity was undertaken during the current quarter. Modelling has now been completed with all expenditure commitments having been met.

### **Colton (EPC 1082)**

No exploration activity was conducted during the period and the current rehabilitation program has been disrupted by wet weather on site. A review of recent coal quality results is ongoing.

### **Ashford (EL6234)**

No activity was undertaken during the current quarter.

## **Moonamarra (EPM 18589)**

A drill rig was mobilised to site in late March to commence the drilling program. 2 core holes were drilled for a total of 831 meters.

## **BUSINESS DEVELOPMENT**

### **Coal-to-Liquids**

Works on the Jeebropilly CTL proof of concept plant continue with the majority of the support infrastructure in place including security gates, workshop, administration office, electrical power reticulation, sewage, LP gas and fuel farm.

All pyrolysis gas appliances are in place including feed conveyors, gasifiers, intermediate pressure gas compressors and storage tanks. Final design review and HAZOP of pyrolysis module has been carried out to finalise the compliance requirements.

The majority of the liquefaction module has been received and work has commenced on the engineering compliance review.

## **DEVELOPMENT PROJECTS**

### **Colton Project**

Work continues of finalising draft Environmental Authority conditions with the Department of Environment and Heritage Protection.

### **Elimatta Project**

Public comments on the EIS have been received. The preparation of responses to the Department of Environment and Heritage Protection are underway.

### **New Acland Continuation Plan**

Detailed work on the revised EIS continues. This has included noise, dust and water modelling, conceptual design of materials handling systems and extensive stakeholder discussions. Work is currently on schedule.

## **BRIDGEPORT ENERGY**

Quarterly production at 15,668bbl which was impacted by delays over the quarter on drilling and completion activities and failure of the Inland 11 downhole pump which has been reinstated post the quarter.

Perforated, completed and tied in three new wells (16, 17 and 18 on the Inland field), and installed artificial lift beam pumps. Completed well workovers on Inland 8, 7 and 11 wells and recommenced production.

Completed three-well drilling campaign on the Utopia field in January 2013, with Utopia 12 and 14 indicated good oil columns and Utopia 13 a fair column. The wells were suspended for future completion and tie in as production wells scheduled for May 2013.

For further information, please contact:

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