



GUIDE TO THE WICET TERMINAL ACCESS POLICY

What is the WICET Terminal Access Policy?

The WICET Terminal Access Policy (the Access Policy) sets out the rules for applying for, allocating, managing and expanding capacity at the Wiggins Island Coal Export Terminal.

The Access Policy is a voluntary access regime, agreed between WICET and the State of Queensland in 2010. The Access Policy is available on WICET's website.

Who can apply for access under the Access Policy?

Any Gladstone Coal Producer may apply for capacity at the Terminal.

A 'Gladstone Coal Producer' is any actual or potential coal producer which holds a specified type of mining tenure in an area that has, or potentially has, rail transport connections to the Port of Gladstone.

Long term capacity rights are allocated through Take or Pay Agreements between WICET and Gladstone Coal Producers. In some circumstances, capacity may also be made available on a short term basis.

The Access Policy includes Capacity Management Principles which must be satisfied before WICET makes available capacity at the Terminal.

Who owns WICET?

WICET is the owner of the Terminal. WICET, in turn, is owned by its long-term users - or 'Shippers' - who have Take or Pay Agreements with WICET.

When long term capacity is allocated to a Shipper under a Take or Pay Agreement, the Shipper also takes up an A Class share in WICET with voting rights in proportion to its contracted tonnage allocation.

This means that ownership and use of the Terminal are aligned.

The current owners of WICET are five (5) Gladstone Coal Producers who have entered into Take or Pay Agreements to support the development of Stage 1 of the Terminal. As the Terminal expands, Gladstone Coal Producers who enter into new Take or Pay Agreements to support the development of future Stages will become additional owners of WICET.

How are the Directors of WICET appointed?

WICET's Shippers own the A Class shares in WICET and appoint directors to the WICET Board.

Each Shipper with 10% or more of the Terminal throughput may appoint a director. Those Shippers with less than 10% may collectively appoint a director.

In addition, Gladstone Coal Producers who are not Shippers may apply for 'B Class' shares in WICET which entitle them to receive certain commercial information about WICET and the right collectively to appoint a B Class Director or B Class Observer.

The B Class Director or Observer is an observer at WICET Board meetings and has certain rights to convene meetings of the B Class Shareholders where a matter being considered by the Board may affect the rights of future users of the Terminal.

An independent Chairman is appointed by the A Class shareholders. The Chairman does not vote at Board meetings.

What information is made available by WICET under the Access Policy?

The Access Policy specifies the information that WICET must make available to:

- Gladstone Coal Producers wishing to apply for capacity, and
- current and potential shareholders.

WICET publishes on its website technical information about the Terminal to help Gladstone Coal Producers determine whether the Terminal and its facilities are suitable to export their coal.

WICET makes available certain commercial information to Gladstone Coal Producers who are interested in becoming shareholders, subject to those producers executing a Confidentiality Agreement. A pro forma of this Confidentiality Agreement is available on the WICET website.

How does WICET decide how much capacity to allocate?

WICET cannot allocate capacity under Take or Pay Agreements for more than the planned throughput capacity of the Terminal.

When deciding how to allocate available capacity, WICET follows the Capacity Management Principles set out in Clause 8 of the Access Policy.

What happens if a Shipper has spare capacity or there is spare capacity at the Terminal?

If a Shipper is not using all of its long term capacity it may temporarily allocate the surplus capacity to a substitute shipper in accordance with the rules in its Take or Pay Agreement.

Alternatively, it can ask WICET to make the surplus capacity available on a short term basis.

If unallocated long term capacity becomes available at the Terminal, WICET must give Gladstone Coal Producers the opportunity to apply for the available long term capacity.

If there is no interest in taking up unallocated capacity on a long term basis, WICET may allocate the capacity on a short term basis.

What is the process to expand the Terminal's capacity?

The feasibility studies for an expansion of the Terminal may be initiated by WICET as part of its strategic planning process or by a Gladstone Coal Producer.

In either case, WICET must give Gladstone Coal Producers the opportunity to participate in the expansion through funding the necessary feasibility assessment and execution of capacity commitments to underwrite the financing of the expansion.

Each Gladstone Coal Producer who applies for capacity after the feasibility assessment is complete will, as a prerequisite to allocation of capacity, be subject to due diligence on its ability to satisfy the 'ToP Requirements' set out in the Access Policy. In summary, these require the producer to demonstrate that it is in a position to mine and rail marketable coal to the Terminal in sufficient volumes to support its Take or Pay commitment. The producer must also demonstrate ability to comply with its financial and other obligations under the Take or Pay Agreement.

How are access charges set?

WICET's pricing is based on a cost recovery model. It does not earn a profit on its charges to users.

The Access Policy sets out the pricing principles by which the Terminal Handling Charge is calculated. In summary, it is the total of operating costs and financing costs, plus any special handling charges and surcharges that are agreed with each Shipper through their Take or Pay Agreements.

How are access disputes resolved?

The Access Policy includes a dispute resolution mechanism in Clause 13.

IMPORTANT NOTICE: This explanatory document is issued by Wiggins Island Coal Export Terminal Pty Limited (WICET). It is intended as a guide only, does not provide a complete summary of the Access Policy and is not intended to provide a comprehensive account of how the Policy operates. A Gladstone Coal Producer should review the Access Policy in its entirety before applying for capacity at the Terminal and should not rely on this document as the basis for any decision relating to its Terminal capacity requirements. A copy of the Access Policy is available on the WICET website.

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