



HOW TO INITIATE AN EXPANSION

This document is intended as a guide for coal producers who may be interested in initiating or participating in an expansion of the WICET Terminal.

Gladstone Coal Producers interested in exporting through the Terminal are encouraged to contact WICET directly for information applicable to their own circumstances.

WICET's expansion capability

WICET was established under a mandate from the Queensland Government to be available to expand to meet industry demand as and when required. The rules for expansions and allocation of expansion capacity are contained in the WICET Access Policy.¹

Stage 1 of the Terminal was completed in 2015 and has a throughput capacity of 27Mtpa. Of this, 16Mtpa is currently contracted under long term take or pay agreements. The remaining 11Mtpa of unallocated capacity is available to be contracted either on a short term or long term basis.

As part of its development mandate, the State has approved an ultimate development within the WICET footprint of four unloading and loading streams capable of exporting approximately 120Mtpa. State and Commonwealth environmental approvals are in place for up to 84Mtpa of export capacity. WICET has access to adjacent onshore reclamation areas to take dredge spoil from future berth development.

How expansions are initiated

Any expansion of the Terminal must take place in accordance with the principles and rules in the WICET Access Policy.

There are two avenues under the Access Policy for initiating an expansion:

1. Producer initiated expansions

Any Gladstone Coal Producer may propose an expansion under clause 9 of the Access Policy. Where a producer proposes an expansion, WICET must concurrently invite interest from all Gladstone Coal Producers and follow the principles in clause 9 of the Access Policy. The process starts with commencement of a Feasibility Study to be funded by the producers interested in the expansion.

2. WICET initiated expansions

¹ [Guide to the WICET Access Policy](#)

WICET may propose expansions under an annual Strategic Plan. Where it does so, it must invite interest from all Gladstone Coal Producers.

The following principles are applicable to all expansion projects, however initiated.

- Expansion producers must demonstrate that they are ready and realistically able to ship coal. WICET will assess the technical feasibility of the nominated source mine, availability of marketable reserves and alignment of forecast first coal with delivery of associated of necessary supporting infrastructure and services (such as rail spurs, mainline rail, port access, power and water). Allocation of new capacity in the absence of genuine development plans and market demand is not permitted.
- Conventional project development stage gate disciplines must be adopted to ensure that user requirements and development and interface risks and opportunities are properly assessed at critical stages of the project.
- An expansion must not adversely affect operability or funding of installed stages. Feasibility studies must include detailed interface management plans to ensure that development does not disrupt or interfere with existing infrastructure and operations.
- An independent expert assessment of the feasibility of the financing plan for the expansion and risks to funding of installed stages will be required.
- WICET will require security for an expansion producer's project commitments and terminal handling charges (minimum 12 months) at levels commensurate with the assessed risk to WICET. As a general rule greenfield developments will be expected to provide more security than brownfield developments.
- Progression through the feasibility gate to the financing stage will require a high level of project definition and certainty, an achievable schedule and appropriate resources. Capacity Commitment Deeds will not be executed until this point with a view to a short period to financial close and commencement of construction in accordance with the approved project schedule. As a general rule, source mines will be expected to have a mining lease in place before the expansion proceeds to the financing phase.
- Any increase in the terminal handling charge resulting from an expansion is quarantined to the expansion and any decrease shared with installed stages.
- Expansion producers must cover all costs and commitments of the expansion process in cash or by bank guarantees because WICET has no other source of funds to cover expansion commitments. This includes costs of any required access to WICET Stage 1 personnel and resources.

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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