



Ensham
R E S O U R C E S

ENSHAM
RESOURCES
PTY LIMITED

ABN 23 011 048 678

As Operator of the
Ensham Coal Project

Duckponds Road
via Emerald
PO Box 1565
Emerald QLD 4720
Australia

Telephone:
+61 7 4987 3601

Facsimile:
+61 7 4987 3622

Website:
www.ensham.com.au

The Ensham Coal Project
is a joint venture of the
following companies which
are liable severally in the
following proportions:

Bligh Coal Limited
ABN 20 010 186 393
47.5%

Idemitsu Australia
Resources Pty Ltd
ABN 45 010 236 272
37.5%

Bowen Investment
(Australia) Pty Ltd
ABN 12 002 806 831
15.0%

23 April 2019

Charles Millsteed
Chief Executive Officer
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane QLD 4001

Dear Mr Millsteed,

Confidential

I refer to the draft amending access undertaking submitted to the QCA for approval by Aurizon Network on or about late April 2019.

Ensham Resources Pty Ltd ABN 23 011 048 678 (**Ensham Resources**) is writing this letter in its own capacity and as agent for and on behalf of the participants in the Ensham Resources Joint Venture, being:

- Idemitsu Australia Resources Pty Ltd ACN 010 236 272;
- Bligh Coal Limited ACN 010 186 393;
- Bowen Investment (Australia) Pty Ltd ACN 002 806 831.

Ensham Resources has been directly involved in the consultative process by which the draft amending access undertaking was developed and is satisfied that the process was appropriate and gave Ensham Resources a fair and reasonable opportunity to influence the content of the proposed amendments to Aurizon Network's undertaking.

Ensham Resources is also satisfied that matters of importance to it have been reflected in the terms of the draft amending access undertaking.

Ensham Resources is satisfied that the draft amending access undertaking in the form submitted by Aurizon Network to the QCA on or about late April 2019 contains a significant number of increased and material benefits for access seekers, access holders and their customers, and that those benefits justify the financial outcomes the proposed amendments to Aurizon Network's undertaking secures for Aurizon Network.

Ensham Resources' support of the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019 is conditional on that draft amending access undertaking being approved by the QCA in the same form as it was submitted to the QCA. Ensham



Resources does not by this letter support a draft amending access undertaking that is different to the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019.

There are some matters contained in the draft amending access undertaking on which Ensham Resources does not express a view and in respect of which Ensham Resources is happy for the QCA to determine in accordance with its discretion. Those matters are listed in the attachment to this letter.

Subject to those matters and the terms of the attached 'UT5 DAAU Implementation Deed' between Aurizon Network and the Company (including the condition that the QCA approves of the UT in the exact form (subject to immaterial changes) submitted by Aurizon Network to the QCA), Ensham Resources and the JV Participants for whom it acts as agent support the QCA's approval of the draft amending access undertaking.

If the QCA makes a final decision to refuse to approve the draft amending access undertaking, does not make a final decision to approve the draft amending access undertaking by the 'Specified Date' in the 'UT5 DAAU Implementation Deed' or Aurizon Network breaches clauses 3.1, 4.4, 5, 6 or 10 of the 'UT5 DAAU Implementation Deed', then the Company may make further submissions to the QCA including in connection with the draft amending access undertaking.

Please feel free to contact me at Chris.Walsh@idemitsu.com.au should you have any matters you would like to discuss.

Yours sincerely

Chris Walsh
Chief Commercial Officer
Idemitsu Australia Resources

Attachment 1

Ensham Resources Pty Ltd does not express a view in respect of the following matters contained in the draft amending access undertaking and Ensham Resources Pty Ltd is happy for the QCA to determine the following in accordance with its discretion.

- 1 the Reference Tariff values in Schedule F (7.2, 8.2, 9.2, 10.2, 11.2);
 - 2 the System Allowable Revenue values in Schedule F (7.3, 8.3, 9.3, 10.3, 11.3);
 - 3 any changes to payloads in Schedule F compared to those shown in the approved UT5;
 - 4 loading times for additional mines not included in the approved UT5;
 - 5 Gtk forecasts within Schedule F, to the extent that they differ to those contained in the approved UT5; and
 - 6 the values shown in Schedule K.
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