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Competition Declaration – North Queensland Export Terminal Facility

Prepared for QCoal

Contents

Figures

Tables

1. North Queensland Export Terminal throughput forecast

Queensland has six existing coal terminals at four ports and six supporting rail systems providing export infrastructure for the coal industry. Total coal port export capacity is capped by aggregate coal terminal capacity at 302 Mtpa. Overall port capacity is expected to remain constant until the early 2040s when an expansion could occur at Abbot Point to support expanded production from the Galilee Basin. Currently Abbot Point Coal Terminal (APCT) has a single coal loading facility North Queensland Export Terminal (NQXT).

Table 1 sets out Wood Mackenzie's forecast for NQXT throughput for financial years 2028 to 2045 in Mt. We estimate average throughput will be around [redacted] until 2036 when it will commence to rise to around [redacted] in 2039 – chiefly driven by the expansion at the Carmichael mine (operated by Bravus) with additional tonnage from QCoal's Byerwen Stage 2 project. Given NQXT has a nominal current capacity of 50 Mtpa throughput could become constrained from 2038 onwards as demand for the terminal exceeds [redacted] in that year then exceeds [redacted] from 2042 onwards.

Table 1 APCT throughput forecast (Mt) by Financial Year

Mine	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Broadmeadow	[redacted]																	
Byerwen Phase 1	[redacted]																	
Byerwen Phase 2	[redacted]																	
Carmichael	[redacted]																	
Carmichael (Underground)	[redacted]																	
Caval Ridge	[redacted]																	
Collinsville	[redacted]																	
Goonyella Riverside	[redacted]																	
Lake Vermont	[redacted]																	
Lake Vermont (Underground)	[redacted]																	
Lancewood	[redacted]																	
Lancewood (Underground)	[redacted]																	
Middlemount	[redacted]																	
Newlands	[redacted]																	
Northern Hub (Drake)	[redacted]																	
Northern Hub (Jax)	[redacted]																	
Northern Hub (Sonoma)	[redacted]																	
Poitrel	[redacted]																	
Total[1]	[redacted]																	

Source: Wood Mackenzie

[1] Totals may not add due to rounding.

2. APCT Capacity

2.1. Capacity discussion

For east coast Australian coal ports, nominal terminal capacity should not be treated as equivalent to sustainable annual throughput unless it is expressly defined as modelled system capacity. Coal export chains are constrained by the interaction of mine supply, rail inbound capacity, stockyard assembly, grade segregation, reclaiming, shiploader availability, berth occupancy, vessel scheduling, weather and channel access. Maintenance and unplanned outages are only one component of the variance between rated capacity and actual tonnes shipped. In practice, a 50 Mtpa coal terminal may approach its nominal limit under favourable operating and market conditions, but dependable annual throughput is typically lower where the quoted figure represents nameplate or contracted capacity rather than demonstrated operating performance.

For logistics modelling purposes, it is preferable to separate physical capacity, availability and commercial utilisation. As a first-pass assumption, 85% to 95% of stated nameplate capacity is reasonable for dependable annual throughput. The lower end of this range is more appropriate for multi-user terminals operating under complex cargo assembly and product segregation requirements. It is therefore probable that as throughput approaches 43 Mtpa at NQXT, constraints may emerge in the form of tighter maintenance scheduling, reduced contingency for unplanned outages, greater berth and vessel scheduling pressure, increased stockyard congestion and less flexibility in assembling discrete coal products for shipment.

2.2. North Queensland Export Terminal

The North Queensland Export Terminal is a 50 Mt capacity coal terminal located at the Port of Abbot Point and supplied by the Newlands rail system. The GAPE rail system was constructed in the early 2010s to allow mines in the upper Goonyella rail system to utilise expanded capacity at NQXT. NQXT is a multi-user facility and is leased to the Adani Group which is also the major user via the Carmichael mine.

Throughput at NQXT has steadily grown from 29 Mt in 2020 to 37 Mt in 2025. Throughput growth in the past five years has resulted from the divestment of BHP from BMC in 2022, with Poitrel (now owned by Stanmore) now exporting coal from NQXT rather than the BMA-owned HPCT. Wood Mackenzie [redacted]

The next stage of production expansion from Carmichael is set to occur in the middle of next decade, with throughput at NQXT expected to increase to [redacted] by 2038 and staying at this level until the end of the forecast. Contributions from QCoal are forecast to be relatively constant, as Byerwen Phase 1 continues while Phase 2 production replaces tonnes from the closing Northern Hub operations close to 2040.

Based on our throughput forecast, the terminal will be operating near its 50 Mt capacity in 2038, as throughput reaches [redacted] that year. For the remainder of the forecast, [redacted] Under this scenario, any non-Bravus producer that exports from the terminal is at risk at having their capacity constrained. QCoal is likely to be at highest risk given plans to commence the Byerwen Stage 2 project. In the event that the port becomes constrained, it is assumed that the tonnages would be dispersed across other terminals, with spare capacity at DBCT (Hay Point), RGTCT (Gladstone), or WICET (Gladstone) sufficient to accommodate any redirected tonnages, although this could be costly in terms of rail. QCoal could also delay Byerwen Phase 2 by 2-3 years to better sequence the commencement with the ramp-down of Northern Hub.

A major mitigating factor to this projected oversupply is the proposed second terminal (Terminal 0) to be constructed by Adani at the Port of Abbot Point

[redacted]

Source: Wood Mackenzie

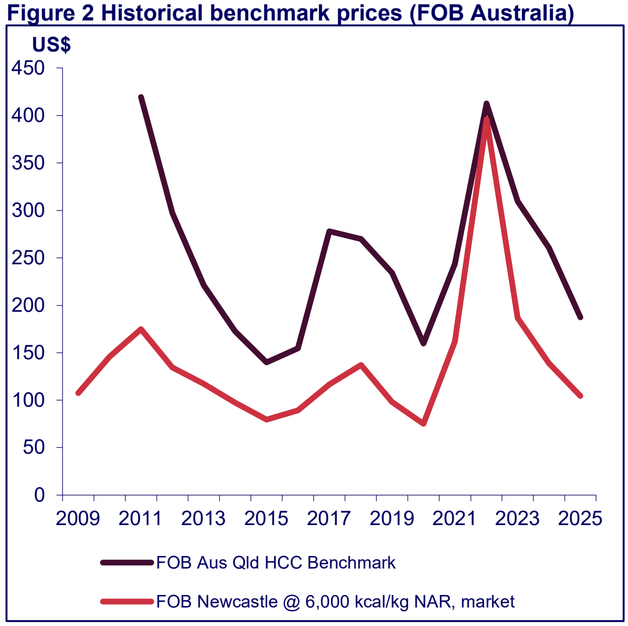
If constructed, additional export capacity could be available from 2041, alleviating potential constraints under the current forecast. Irrespective of the Terminal 0 decision and timing, some non-Bravus producers are expected to need to seek alternative arrangements to export coal for a period of time beyond 2039.

In the event that Terminal 0 is not constructed and Bravus' Carmichael (Underground) mine is developed according to the forecast, this would result in significant constraint to other producers using NQXT. Following full ramp up of the underground operation, Bravus would account for [redacted] displacing almost all other producer export capacity. While DBCT and RGTCT are expected to have sufficient spare capacity to accommodate these displaced tonnages. DBCT is likely to be the preferred alternate terminal, being closer. The Goonyella System would require additional investment to add rail cars and ensure there is sufficient electricity supply and passing loops, and possibly alternate balloon loop infrastructure.

3. Price responses to supply

Recent coal price shocks show that Australian supply disruption affects metallurgical and thermal coal markets through different geographic channels. For metallurgical coal, the key exposure is Queensland's Bowen Basin and its export chain through Hay Point and Dalrymple Bay. For high-energy thermal coal, the key exposure is the Hunter Valley coal chain and the Port of Newcastle, which anchors the main Asia-Pacific benchmark for high-CV thermal coal.

Figure 2 Historical benchmark prices (FOB Australia)



Source: Wood Mackenzie

Historical benchmark prices for seaborne hard coking coal (FOB Queensland Basis) and premium thermal coal (FOB Newcastle) are shown in Figure 2. Over the 15 year period shown prices have shown extraordinary volatility driven by both supply and demand factors.

The 2010–11 Queensland floods and Cyclone Yasi were among the most severe weather-related disruptions in modern seaborne metallurgical coal markets. Heavy flooding across Queensland in late 2010 and early 2011 affected mine production, rail haulage and port logistics. Cyclone Yasi then added further disruption in February 2011.

Australian hard coking coal prices rose sharply, with quarterly settlements for April–June 2011 reaching roughly US$315–330/t FOB Queensland. Thermal coal also remained elevated during 2011, assisted by post-Fukushima demand support from Japan as nuclear generation was withdrawn and replacement fossil fuel generation increased, although this was a demand driven factor.

The 2016 price spike was different. It was not caused by Australian weather. China's supply-side reforms restricted domestic coal mine operating days from 330 to 276 days per year. This removed domestic supply at the same time as Chinese steel demand was recovering. Premium hard coking coal prices rose rapidly from early-2016 lows, while annual averages understated the scale of the intra-year price movement. The event shows that seaborne coal prices can be driven by policy-induced supply withdrawal as well as physical disruption.

Cyclone Debbie in March 2017 reinforced the Bowen Basin concentration risk for metallurgical coal. The main impact was not port destruction. It was disruption to the Goonyella rail system, which links major Bowen Basin mines to the Hay Point and Dalrymple Bay export terminals. Premium hard coking coal prices moved from around US$150/t in late March to more than US$300/t by mid-April. The spike was intensified because key Asian steelmakers had been running down inventories after the late-2016 price surge, leaving limited buffer when the rail disruption occurred.

The 2020–22 period combined several shocks. In 2020, COVID-19 weakened industrial activity and reduced coal demand, placing downward pressure on both metallurgical and thermal coal prices. However, late 2020 also marked the start of China's informal restrictions on Australian coal imports. Those restrictions forced Australian coal into alternative markets and required China to source replacement coal elsewhere. The immediate 2020 price effect was dominated by COVID-related demand weakness, but the trade-flow dislocation made the market more brittle when the 2021–22 crisis arrived.

In 2021 and 2022, persistent La Niña rainfall affected both Queensland metallurgical coal supply and New South Wales thermal coal supply. Flooded pits, rail disruptions and labour constraints from COVID-19 limited output just as global energy demand was recovering. Russia's invasion of Ukraine in February 2022 then created the sharpest thermal coal price catalyst. European buyers sought non-Russian supply, and Newcastle high-CV thermal coal prices reached record levels in 2022. Metallurgical coal also reached extreme levels, supported by tight supply, weather disruption and strong competition for premium hard coking coal.

The key conclusion is that coal price shocks are not caused by one generic Australian supply risk. Metallurgical coal price volatility is primarily linked to Bowen Basin supply and Queensland export infrastructure. High-energy thermal coal volatility is more closely tied to the Hunter Valley, Newcastle rail and port logistics, and Newcastle benchmark pricing. In both markets, limited short-run substitution means that regional disruption can quickly become a seaborne price event. While high prices can create an incentive for producers to lift output, the short-run supply response is usually constrained because most mines are already operating close to practical capacity to minimise unit costs, contracted volumes limit discretionary sales, expansion requires mine planning, labour, equipment and approvals, and the producers best placed to respond may be exposed to the same weather, rail, port or regulatory disruption causing the shortage.

4. Outlook comparison

The most significant change between the 2023 and 2026 forecasts is the removal of BMA's Goonyella system assets. Broadmeadow, Caval Ridge and Goonyella Riverside were collectively forecast in 2023 to contribute around [redacted] providing stable baseload volume through the 2030s. Peak Downs Underground and Red Hill Underground, which were expected to ramp to a combined approximately [redacted] have also been removed entirely. Other material growth projects have also dropped out of the updated forecast, including Stanmore Resources' Wards Well, previously forecast to reach [redacted] and Glencore's Sarum project, previously forecast to ramp to [redacted] Together, these removals represent a substantial downward revision to mid-to-late 2030s throughput.

These losses are partly offset by several upgrades elsewhere in the portfolio. Carmichael's near-term outlook has been increased from [redacted] while its longer-term ramp to [redacted] remains unchanged. Poitrel now has a longer production life, declining gradually to closure around [redacted] Middlemount's throughput has been almost doubled to [redacted] while Collinsville's life has been extended by approximately [redacted] At Lake Vermont, a lower open-cut profile is partly offset by a new underground operation that sustains output through the late 2030s. The new Lancewood project, comprising open-cut production from 2031 and underground production from the late 2030s, also adds throughput that was not captured in the 2023 forecast.

Overall, the 2026 forecast presents a more modest mid-2030s throughput profile than the 2023 view. This is driven primarily by the loss of BMA volumes and the removal of Wards Well. However, the terminal's longer-term growth trajectory into the late 2030s remains broadly intact, supported by Carmichael's continued ramp-up, new underground developments and the addition of Lancewood. Byerwen Phase 2 has also been materially reduced within the overlapping forecast period, although this is a relatively minor change in the context of total terminal throughput. Table 2 highlights the key changes and developments to our throughput forecasts from NQXT for some of the key mines compared to our 2023 Report

4.1. Key changes from the 2023 outlook

Table 2: Throughput forecast differences (vs 2023 Report)

Mine	Operator	Production (2025)	Forecast and announcements	Key differences
[redacted]				

Mine	Operator	Production (2025)	Forecast and announcements	Key differences
[redacted]				

Source: Wood Mackenzie

4.2. Carmichael mines

Wood Mackenzie forecasts marketable production from Carmichael at [redacted] in the first phase. This forecast is below Bravus's reported development plans, reflecting Wood Mackenzie's demand-led base case modelling rather than the project's stated physical expansion potential. We note that Bravus has previously increased production beyond levels indicated by market demand. This was possible because the project was largely self-funded, meaning Bravus was less dependent on third-party financiers and did not need to satisfy external investment hurdles to the same extent as a conventionally financed project.

Coal from the first phase is expected to be sold into India. We expect the ramp-up to [redacted] to occur over an extended period, with that level of output reached only by [redacted]. No further development of the Carmichael open-cut operation beyond [redacted] is assumed. The Carmichael Underground mine could start earlier if supported by market demand, but our base case assumes a possible startup around [redacted]

This production profile differs materially from Adani's initial proposal for a 42.5 Mtpa operation, with a possible second phase expansion to 60 Mtpa. We expect production from any expansion to be sold primarily into India, although some volumes may also be placed into China. Carmichael produces a relatively low-energy, high-ash product that is acceptable to buyers in India and China, but is less likely to be preferred by Japanese or South Korean utilities. Wood Mackenzie's view on Carmichael's production profile is based on its broader market demand forecast.

We anticipate that production from the Carmichael surface mine will continue to be exported through existing capacity at the NQXT terminal at Abbot Point. Development of a further underground operation may require additional port capacity, depending on the timing of startup and the availability of spare terminal capacity at that point. The Federal Government has approved the onshore dredging plan for the Abbot Point port expansion. However, based on the production profile set out above, Bravus is not expected to require additional port capacity until the early 2040s.

Bravus's previously proposed T0 terminal at Abbot Point could be used to ship coal from Carmichael Underground and potentially other Galilee Basin projects. If constructed, Wood Mackenzie expects T0 to have a nominal capacity of 40 Mtpa, rather than the 70 Mtpa stated by Bravus. This reflects a more conservative view of practical terminal capacity, system utilisation and likely market demand for additional Galilee Basin coal exports.

4.3. Energy transition impact

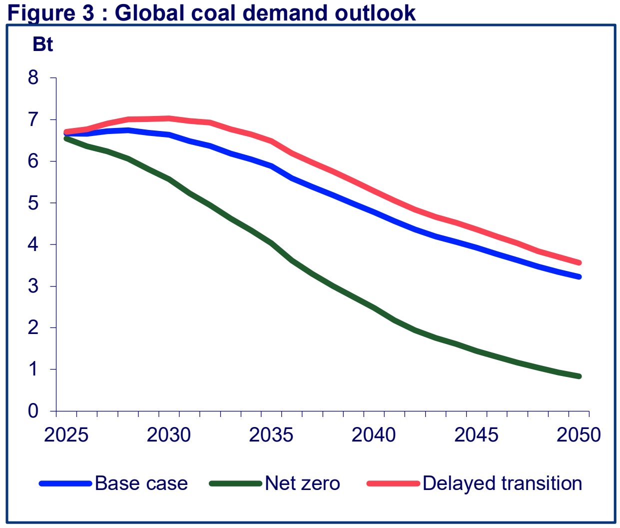
Wood Mackenzie models coal demand under three scenarios:

The **Base Case** scenario is our reference case and represents the most likely outcome for the energy and resources world, corresponding to 2.6˚C warming. It incorporates the evolution of current policies and technologies playing out in the future. This scenario is broadly consistent with the IEA's STEPS.

Our **Net Zero Scenario** is based on countries implementing their announced net zero pledges, albeit slightly delayed due to near-term challenges amid high energy prices. Incentive-based policies drive competition and the race to technology advancement and innovation are key features in this scenario. This scenario is consistent with 1.5˚C of global warming.

Our **Delayed Energy Transition Scenario** assumes a five-year delay to global decarbonisation efforts due to geopolitics and reduced policy support for new technologies. Governments choose protectionism and domestic supply security over global cooperation and sustainability, driving up the cost of new technologies and delaying the transition, resulting in a potentially 3.1˚C warming trajectory.

Figure 3 : Global coal demand outlook



Source: Wood Mackenzie

Under Wood Mackenzie's Base case outlook, global coal consumption is expected to fall from 6.7 Bt in 2025 to 3.2 Bt in 2050 and under the Delayed transition is expected to fall to 3.6 Bt in 2050. In contrast, under the Net zero scenario, it falls to 0.8 Bt in 2050. Though the Net zero scenario aligns to a more ambitious target of 1.5° global warming, such an outcome would require rapid deployment of carbon capture and removal technology, hydrogen technology, along with consumer shifts. However, due to partly adoption of carbon capture technology, Wood Mackenzie expects there to be some residual global coal consumption in 2050. Seaborne coal demand as a proportion of total demand is expected to fall at a slower rate due to it typically having higher quality than domestic supply. This is especially the case for Australia metallurgical coals which trade into countries where there is little or no domestic supply competition.

4.4. Forecast vs Declaration period

[redacted] Under this production profile, total terminal throughput approaches [redacted] close to NQXT's nominal capacity of 50 Mtpa. While this remains below the stated nameplate capacity, it is likely to exceed a reasonable working capacity threshold for a multi-user coal terminal once maintenance allowances, unplanned outage risk, vessel scheduling, berth occupancy, stockyard capacity, product segregation and cargo assembly requirements are taken into account.

At this level of utilisation, the issue is not whether the terminal can technically load 50 Mtpa in ideal conditions. The more relevant question is whether it can do so reliably while preserving operational flexibility. As throughput approaches the high 40 Mtpa range, NQXT would have less spare capacity to absorb maintenance shutdowns, weather delays, rail disruption, vessel bunching or short-term changes in cargo sequencing. This increases the risk of queueing, demurrage, stockyard congestion and shipment slippage. It also reduces the terminal's ability to accommodate additional Galilee Basin volumes without either displacing existing users, accepting lower service reliability, or developing further terminal capacity.

On this basis, NQXT may not be nominally capacity constrained in [redacted] but it should be treated as approaching practical capacity. The forecast step-up in Carmichael production therefore represents the point at which port capacity becomes a material planning constraint, even before the terminal reaches its stated 50 Mtpa limit.

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