

GLOSSARY

This glossary contains explanations of certain technical terms used in this Prospectus. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ash content”	ash is the inorganic residue remaining after the combustion of coal which affects the burning characteristics of coal;
“calorific value”	the heat of combustion of a unit quantity of coal. It is expressed in British Thermal Units per pound (BTU/lb), kilocalories per kilogram (kcal/kg) or megajoules per kilogram (MJ/kg). The gross calorific value includes all heat of vaporization of water. Net calorific value assumes all water is in the vapor phase;
“clean coal technology”	a comprehensive new technology that aims to improve various aspects of coal production, including coal processing, combustion, conversion and pollution control;
“coal”	a solid, brittle, more or less distinctly stratified combustible carbonaceous rock, formed by partial to complete decomposition of vegetation;
“coal blending”	mixing coal in predetermined and controlled quantities to adjust the chemicals or burning characteristics of the resulting coal or to produce a more uniform product;
“coal loadout depot”	a collective term for the various facilities where coal is loaded onto trains;
“coal processing”	the process of selectively removing gangue material from raw coal through beneficiation at a coal processing plant;
“coal seam”	a stratum that contains coal within a defined zone;
“coke”	bituminous coal from which the volatile components have been removed;
“coking coal”	coal which is used in the process of manufacturing steel, also known as metallurgical coal;
“coal products”	coal saleable as products, which may include varying proportions of raw and cleaned coal;
“dense-media cyclone processing”, or “DMC”	a coal processing method that processes raw coal by using heavy dense media with a density between coal and waste minerals;
“FOB”	free on board. An FOB contract price does not include insurance and freight from the point of shipping;

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“inferred coal resources”	an inferred coal resource is a coal resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and is based on assumed but unverified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
“jig processing”, or “Jig”	a coal selection method which processes coal in terms of grain density by vibration of a screen;
“JORC Code”	Australian Code of Reporting of Mineral Resources and Ore Reserves, effective December 2004;
“Kcal/kg”	kilocalories per kilogram;
“longwall mining”	a fully mechanized underground mining method in which the mining face is supported by a hydraulic shield while the coal is excavated by a shearer and then transported to the surface by electronic conveyors. When mining of the longwall panel has been completed, the longwall system is moved to a new mining area. The key characteristics of longwall mining include high productivity, comparatively high recovery rates, safety and reliability;
“m ² ”	square meters;
“marketable coal reserves”	the tonnages of coal reserves, at specified moisture and quality, available for sale after accounting for processing plant yields. Marketable coal reserves are reported in terms of probable reserves or proved reserves;
“metallurgical coal”	see “coking coal”;
“mining face”	the working area where the extraction of overburden or coal takes place in an underground or open pit mine;
“moisture content”	the amount of moisture in coal, expressed as a percentage of the weight of the coal. Moisture content of coal varies by the type of coal, the region where it is mined and the location of coal within a seam. In general, high moisture content decreases the thermal value and increases the weight of the coal. Two types of moisture can be found in coal, including: (i) free or surface moisture, which can be removed by exposure to air, and (ii) inherent moisture, which is trapped in the coal and can be removed by heating the coal;
“open pit mining”	a mining method which involves removing the overlying strata or overburden and extracting the coal;

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“overburden”	the soil and rock that must be removed in order to expose an ore deposit;
“processing plant”	a plant which processes raw coal to improve its quality, so as to convert the raw coal into coal products for specified uses;
“processing plant yield”	the processed coal as a percentage of feed raw coal during coal processing;
“primary energy”	energy embodied in the natural resources that has not undergone any form of artificial conversion or transformation;
“probable reserves”	probable reserves under the JORC Code, which are the economically mineable part of an indicated coal resource and, in some circumstances, measured coal resource. They include diluting materials and allowances for losses which may occur when the material is mined. Probable reserves are based on feasibility studies and other appropriate assessments and take into account relevant mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Unless otherwise indicated, in this Prospectus, “probable reserves” refers to marketable probable reserves;
“proved reserves”	proved reserves under the JORC Code, which are the economically mineable part of a measured coal resource. They include diluting materials and allowances for losses which may occur when the material is mined and after accounting for processing plant yield. Proved reserves are based on feasibility studies and other appropriate assessments and take into account relevant mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;
“raw coal”	a mineral in its raw, untreated state subsequent to extraction and prior to sizing and other beneficiation;
“reclamation”	in the context of mining, refers to the process of restoring land and the environment to their original state following mining activities. The process commonly includes “recontouring” or reshaping the land to its approximate original appearance, restoring topsoil and planting native grass and ground cover. Reclamation operations generally are initiated before the mining of a site is completed;
“recoverable reserves”	proved and probable reserves prior to adjustment for preparation plant yield;

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“recovery rate”	the percentage of coal that can be recovered from the coal deposits at existing mines;
“resource utilization rate”	percentage of total resources that can be utilized in existing mines;
“semi-hard coking coal”	a strong and adhesive type of coal that has medium to high volatility, which is blended with other coal to produce stronger coke;
“sulphur content”	sulphur contained in coal. Sulphur content may vary from seam to seam and sometimes within each seam. “Low sulphur” coal has a variety of definitions but typically is used to describe coal containing 1% or less sulphur. When coal is burned, it produces sulphur dioxide, the amount of which varies depending on the chemical composition and the concentration of sulphur in the coal;
“surface-and-tunnel extraction mining”	a mining method that employs both techniques of open pit and underground mining to reduce production cost and enhance resource utilization rate;
“thermal coal”	thermal coal, also normally referred to as “steam” or “steaming coal,” is used in combustion processes by power producers and industrial users to produce steam for power and heat. It is generally lower in heat and higher in volatile matter than coking coal;
“tonne kilometer”	load in tonnes multiplied by the distance transported in kilometer;
“truck-and-shovel mining”	a mining method that involves the removal of overburden and the recovery of coal in open pit mines by shovels, which load the coal into trucks for transportation to preparation plants;
“underground mine”	a mine where the coal is extracted without removing the overburden by using shafts and tunnels;
“underground mining”	the extraction of coal or its products from rock strata by underground mining methods such as room-and-pillar mining, shortwall (continuous mines) mining and longwall mining; and
“volatility”	the percentage of volatile matter contained in coal. All coking coal contains volatile matter, which refers to substances, other than water, that are given off as gas or vapor when coal is heated under certain prescribed conditions. The volatility of coking coal determines the percentage of feed coal that actually becomes coke, known as coke yield. The lower the volatile fraction, the higher the coke yield. Volatile matter is measured on a dry mineral matter-free basis.