

GLOSSARY OF TECHNICAL TERMS

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"	incombustible impurities contained in coal which affect the burning characteristics of coal
"beneficiation"	treatment of raw materials by drying, flotation, gravity or magnetic separation
"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 kilogramme (kcal/kg) or mega joules per kilogramme (mj/kg). The gross calorific value includes all heat of vaporisation of water. Net calorific value assumes all water is in the vapor phase
"CFR"	cost and freight. A CFR contract price includes freight from the point of shipping but not insurance
"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 chemical or burn characteristics of the resulting coal or to produce a more uniform product
"coal loading stations"	a collective term for the various facilities where coal is stored and loaded onto trains
"coal preparation plant"	facility used to selectively remove undesirable waste from the ROM/raw coal using chemical and mechanical methods. Also known as a CPP
"coal processing"	the process of selectively removing gangue material from raw coal through beneficiation at a coal processing plant
"coal seam"	a geological structure containing a series of layers of coal, shale and other mineral materials of various thickness within a defined zone
"coal-to-oil"	the process of producing synthetic liquid fuels from coal
"DCF method"	discounted cash flow method, a method of valuing a project, company, or asset by estimating and discounting all future cash flows at market derived rates of return to their present values
"dense-media cyclone processing"	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. A FOB contract price does not include insurance and freight from the starting point of shipping
"FOR"	free on rail. A FOR contract price does not include insurance and freight from the starting point of rail transportation
"fusion point"	the temperature at which a solid substance turns to a liquid state
"indicated coal resource"	that part of a coal resource for which tonnage, densities, shape, physical characteristics, quality, and mineral content can be estimated with a

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	<p>reasonable level of confidence. It is based on exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or quality continuity but are spaced closely enough for continuity to be assumed</p>
“jig processing”	<p>a coal selection method which processes coal in terms of grain density by vibration of a screen</p>
“JORC Code”	<p>Australian Code of Reporting of Mineral Resources and Ore Reserves, effective from December 2004</p>
“Kcal/kg”	<p>kilocalorie per kilogram</p>
“longwall mining”	<p>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 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 reserve recovery rates, safety and reliability</p>
“marketable reserves”	<p>saleable coal product from recoverable reserves after accounting for mining and processing losses, where applicable</p>
“measured coal resource”	<p>that part of a coal resource for which tonnage, densities, shape, physical characteristics, quality, and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. The locations are spaced sufficiently close to confirm geological and quality continuity</p>
“mechanization ratios”	<p>the degree of mechanization in mining and tunneling of coal mines, specifically referring to the proportion of mechanized mining faces in all mining faces</p>
“mining face”	<p>the working area where the extraction of overburden or coal takes place in an underground or open-cut mine</p>
“mj/kg”	<p>megajoules per kilogram</p>
“moisture content”	<p>the amount of moisture in coal, expressed as a percentage of 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</p>
“Mtpa”	<p>million tonnes per annum</p>
“OSD”	<p>out-of-seam dilution, i.e., roof and floor rock recovered with the coal seam during the normal mining process</p>
“overall mining zone recovery rate”	<p>the recovery rate of the overall mining zone, specifically referring to the ratio of the amount of extracted coal against the coal reserve of the overall mining zone</p>
“overburden”	<p>waste rock material overlying a coal seam</p>

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“pillar”	an area of coal which is not mined in order to support the overlying strata in a mine; sometimes left permanently to protect surface structures. See definition of “room-and-pillar mining”
“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. Appropriate assessments, which may include feasibility studies, have been conducted, and include consideration of realistic mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
“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. Appropriate assessments, which may include feasibility studies, have been conducted, and include consideration of realistic 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”	coal 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. Refers to that portion of the in-place coal seam tonnage that can be recovered with the mining techniques specified in the feasibility or design study before OSD and coal processing considerations
“recovery rate”	the percentage of coal that can be recovered from the coal deposits at existing mines
“room-and-pillar mining”	a traditional method of underground mining in which the mine roof of an area being mined, the “room,” is supported by coal pillars left at regular intervals. Coal pillars are of two types, permanent and recoverable, and also include pillars left in mine tunnels
“sulphur content”	sulphur contained in coal. Sulphur content can vary from coal seam to coal seam and sometimes within seam. “Low sulphur” coal has a variety of definitions but typically is used to describe coal consisting of 1.0% 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
“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 metallurgical coal

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"tonne"	metric tonne equal to 1,000 kilograms
"underground mine"	a mine where the coal is extracted from below the surface without removing the overburden
"volatile matter content"	the amount of volatile matter in coal, expressed as a percentage of the weight of the coal. Volatile matter refers to substances, other than water, that are driven off as gas or vapor when coal is heated under certain prescribed conditions. The lower the volatile fraction, the higher the coke yield. Volatile matter is measured on a dry mineral matter-free basis