



UPDATE FROM ADANI AUSTRALIA

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Adani Mining CEO: "Demand for Carmichael coal is real"

Townsville: Adani Mining CEO, Lucas Dow will address the myths and mysteries on the Carmichael Project today at the North Queensland Club lunch, starting with questions on the Carmichael Project's economic feasibility.

Mr Dow recently joined Adani and has deep experience in mining both in Australia and overseas.

He believes the time is right to highlight the real facts about the Carmichael Project.

"There are many misconceptions about the Carmichael Project's viability, operations and environmental impact that anti-mining activists had taken out of context, which need to be addressed," Mr Dow said.

"In addition to preparing for construction commencement, I'm keen to cut through the mystery and myths, and explain how the Project stacks up economically, operationally and environmentally, with significant benefits that will flow directly into the Queensland economy.

"Market experts* predict Asian thermal coal imports will grow by 3.4% per year or 32 Mt per annum to 2030, this demonstrates there is a market for the coal we will produce," he said.

Mr Dow said the Carmichael Project was focused on key markets with increasing energy demand such as India, China, the Middle East and South East Asia.

"240 million Indian people still lack access to electricity and by 2030 there will be over 850 million Indian people wanting to use the internet. Renewables is part of the solution but it won't be enough to meet the rapid increase in energy demand.

"With the Carmichael Project, Queensland is ideally positioned to reap the economic benefits of this demand, ahead of other countries like Russia and the United States who are ready to supply the coal to fill this gap."

Project sample testing demonstrates Carmichael coal is well positioned for the target markets of India, China, and South East Asia. Competitive supply chain costs also represent a significant advantage for the Galilee Basin given its geographical proximity to these target markets.

Mr Dow said that beyond the demand equation there were many other misconceptions about the Carmichael Project's operational and environmental planning that also needed to be corrected.

"I often speak to people who think that the Carmichael mine will be built on top or next to the Great Barrier Reef – this is completely untrue. The mine will be located more than 300km from the Queensland coastline – a similar distance that Melbourne and Sydney are to Wagga Wagga," he said.

"Previous media reports and statements by anti-mining activists have incorrectly quoted how much water the Carmichael Project will take from the Great Artesian Basin (GAB). The quoted 12GL will not come from the GAB," Mr Dow said.

"The Project is predicted to require a maximum of 12GL of dam water from the Suttor River catchment, which is an entirely separate water source to the GAB. Furthermore this dam water can only be harvested when the river system is in flood and other licensed water users, like farmers, have first taken their allocation. Furthermore, like other industrial water users, we have to pay for this water," he said.

"Another favourite myth circulated by these groups is that Carmichael will be a megamine – again this is not correct. The configuration currently contemplated for the Carmichael mine will produce 27.5 million tonnes per annum, which is slightly larger than existing mines in the Hunter Valley and Bowen Basin."

Mr Dow said he is eager for the Carmichael Project to be seen for what it is, just another Australian mine.

"Like the other 125 operating coal mines in Australia, and the nine new coal mines in Queensland seeking approval," Mr Dow said.

"We're an Australian mine that has to comply with all Australian mining and environmental legislation, regulations, standards and procedures. We're no different to any other mining operator that gets a fair go, and we should be treated as such."

****Commodity Insights report:***

Market Demand Study: Australian Export Thermal Coal

<https://www.minerals.org.au/sites/default/files/180615%20MCA%20Thermal%20Coal%20Outlook%20Study.pdf>