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September 13, 2010

Mr Kerry Heywood
Wallarrah 2 Coal Project
PO Box 3039
Tuggerah NSW 2259

Ref: D2010/58321

Dear Kerry:

Thank you for your operational report entitled "Rail Study for the Wallarrah 2 Coal Project (W2CP)", version 13 of 2nd September 2010 and prepared by Rail Management Consultants.

RailCorp has reviewed this report and acknowledges the findings, which indicates sufficient capacity exists on the RailCorp network to accommodate up to 6 return coal services (schedule 1 and 2) between the proposed Wallarrah 2 Coal Mine and the ARTC boundary at Islington Junction, near Broadmeadow.

RailCorp will continue to examine changes in rail demand and manage future capacity needs on the Main North corridor. RailCorp reserves the right to review train paths and future infrastructure requirements with the proponent over the lifecycle of the Wallarrah 2 Coal Mine. Freight access agreements will be managed through the RailCorp Network Access Division.

Please continue to contact Jim Tsirimiagos with regard to other RailCorp approvals for design and construction of the Wallarrah 2 Coal Project. Jim will coordinate across RailCorp on this matter and liaise with RailCorp's Rail Corridor Management Group where required.

RailCorp looks forward to the development of the Wallarrah 2 Coal mine and continued cooperation with the project team.

Sincerely,



STEPHEN SCOTT
GM Timetable Development & Program

CC:

Tony Gausden
GM Network Access

Jim Tsirimiagos
Town Planning Manager