

Blackwater System Enhancement Program

Blackwater System Enhancements - part of \$3.5 billion coal rail program

In May this year, Minister for Transport and Main Roads Paul Lucas launched QR's \$3.5 billion coal rail program including rail infrastructure projects, fleet upgrades and additions for Queensland's coal industry over the next five years. Already underway is the \$355 million Blackwater System Enhancement Program (BSEP) designed to increase the capacity of the Blackwater system.

Works include construction of the Bauhinia Regional Rail spur from Kinrola to Rolleston coal mine; upgrade of the Kinrola branch line; over 30 km of track duplications to increase capacity through to Gladstone; construction of a third balloon loop at Gladstone port and a rail balloon loop at Minerva.

First coal train rolls out of Rolleston Mine on Bauhinia Line



On October 3 the first fully laden coal train rolled out of Xstrata's new Rolleston coal mine on the Bauhinia Regional Rail Line in central Queensland.

The milestone signalled practical completion of the line and the start of operations at the mine.

QR Chief Executive Officer Bob

Scheuber and Xstrata Coal Chief Executive Peter Coates jointly announced the operation of the first coal train, some two months ahead of schedule.

"QR is extremely proud to have delivered this project early, particularly after experiencing construction delays due to unseasonable rains in May and June," Mr Scheuber said.

"The line will be operational 24 hours a day, seven days a week. Once the mine is fully operational there will be an average of 22 train services per week making the 422km journey from the mine to Gladstone and back."

Mr Coates said, "We were proud to see the first train leave Rolleston with some 7,000 tonnes of coal bound for Gladstone."

QR CEO Bob Scheuber (left) and Minister Lucas inspect construction of the Bauhinia Regional Rail line during a visit to central Queensland in May.



At 110km, the \$240 million Bauhinia Regional Rail Project is the longest spur line to be built in Queensland since 1983.

Construction of the rail line created approximately 450 jobs, some of which have gone to locals. A further 150 construction jobs were created at the Rolleston site. Currently, there are some 45 full-time mine workers employed at the Rolleston mine, including several from the communities of Rolleston and Springsure.

Rolleston Coal plans to haul up to eight million tonnes of domestic and export coal to Gladstone by 2008. Under the deal struck with QR for the Bauhinia Project, the company will pay an access fee for using the QR-owned and operated line.

The contract included the design, construction and commissioning of the line, supply of trains, management of the network and delivery of coal over time. QR worked with private sector partners Abigroup as the prime contractor, John Holland for the bridges and Connell Wagner for the civil design. QR completed specialist rail infrastructure, including trackwork, signals and telecommunications.



Loading coal onto the first train to depart from Rolleston mine.

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Minerva balloon loop completion

Construction of a 3.6km balloon loop on the Springsure branch line was completed as part of the \$18 million Minerva Coal Development Project. Operations commenced with the running of the first coal train on September 4.

Initially there will be three train loads per week. Full scale production of 2 ½ million tonnes per annum is expected to be reached by January 2006 once the Minerva Joint Venture builds its coal loader. This will equate to two train loads per day.

QR's work on this project will be complete when the Comet River Bridge is rebuilt to cater for 20 tonne axle load coal trains. The expected completion date is November 22. For further information contact Gary Morrisby on (07) 3235 3321.



First coal train on the Minerva balloon loop.

Duplications Updates

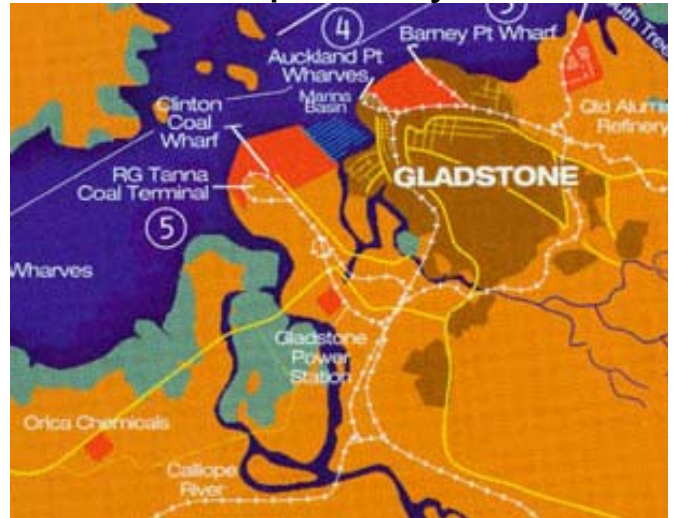
Wallaroo – Tryphinia – Dingo: The 22km Wallaroo – Tryphinia-Dingo duplication and track upgrade was opened for rail traffic in August .

Windah-Grantleigh: Civil works for this 7 km duplication is currently under construction and scheduled for completion in December 2005. Track works and electrification are forecast to be completed in February 2006.

Bluff- Boonal- Blackwater: Design works have been completed for this 26 km section of duplication. A civil construction contract is currently under negotiation and is scheduled to be awarded in late December with a June completion date. Track improvements are then programmed to be opened in October 2006.

Aroona to Duariga: Duplication of this 9 km section is also scheduled to commence construction early next year with a forecast completion in December 2006.

Third balloon loop underway at RG Tanna



Map Courtesy Central Queensland Ports Authority.

To better service the demands of the coal industry and planned expansion of Gladstone Port, QR is working with Central Queensland Ports Authority (CQPA) to construct a third balloon loop at the RG Tanna Coal Terminal.

This multi-million dollar balloon loop will increase the capacity of coal throughput for export at Gladstone Port to in excess of 62 million tonnes per annum.

Construction commenced in early October 2005. CQPA has let a contract for earthworks and track formation for the new balloon loop. The first stage of the works is the extension of the existing second balloon loop. Trackwork on the second loop extension by QR crews is due to commence towards the end of October 2005.

Construction of the new third loop will follow on from the initial works and will tie in with the building of a new coal dump station by the CQPA. The new third balloon loop and dump station are due for completion in the first half of 2006.

Wiggins Island development to help make Gladstone world's largest coal export port

Development of the Wiggins Island Coal Terminal and associated rail and channel infrastructure has been declared a "significant" project by the Co-ordinator-General.

When fully developed, Wiggins Island will add a massive 70 million tonnes of coal exporting capacity for Queensland.

The project will be jointly developed by the CQPA and QR. The project will cost \$1.8 billion, create 500 construction jobs and 125 new operational jobs when completed. QR and CQPA will conduct an EIS early in 2006.

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