



Port Waratah's Kooragang and Carrington Terminals are an integral part of the Hunter Valley Coal Chain, connecting Hunter Valley coal with the world. This coal chain includes over 35 coal mines with the coal being hauled distances of up to 380km to reach the port. We are well positioned to efficiently respond to the changing circumstances of the global demand for Hunter Valley coal and understand that our services remain of critical importance to the local, regional and national economies.

Strength of the Coal Chain

One of the strengths of the Hunter Valley Coal Chain is the flexibility coal providers can utilise to meet demand, when they need it. Capacity disruptions in late 2020 saw customers quickly move to utilise their flexibility to meet market demand.

Our terminal capacity provides a reliable, high-quality, cost-effective service for our customers. It is sufficient to meet their requirements and also provides surge capacity during periods of high demand. This enables us to turnaround vessels as quickly as possible and minimise the number of vessels waiting.

Vessel turnaround times

Vessel turnaround times increased from 2.6 days in 2019 to 3.6 days in 2020 due to a high frequency of port restrictions and the increased demand in November and December. During the year, we considered a number of initiatives to reduce the vessel turnaround time including industry demand forecasting, outbound vessel variation and timing of major shiploader outages. We continue to focus on delivering contracted capacity for our customers.

Customer engagement

Strong working relationships are critical to our success. We are committed to delivering superior services to our customers and to act in their best interests. We live our values by listening to our customer's feedback and creating change where we can.

Following feedback from our Customer Survey, we implemented a number of enhancements to our Services Portal and customer reporting. We collaborate with other coal chain participants to identify opportunities that can improve efficiencies and that can deliver benefits to both our customers and the wider coal chain.

Negotiations to extend the Carrington Terminal lease to secure our tenure have progressed and remain ongoing. We have also been an active participant in the multi-organisation collaborative effort to release additional capacity and efficiency for our customers, as part of ARTC's ANCO Project.

OUR SERVICES MEET OR EXCEED CUSTOMER EXPECTATIONS

We connect Hunter Valley coal to the world

Market conditions

With 47% of terminal throughput, Japan remains our largest export destination in 2020. China has dropped from our second largest destination in 2019 (17.5%) to fourth at 9.2%. Taiwan and South Korea are now our second and third largest destinations respectively, with significant increases in exports to Malaysia, Thailand, India and Chile. We exported to new destinations of Argentina, Myanmar, Oman, and Pakistan.

Our customer needs are at the forefront of our decision making, and we work proactively and collaboratively to build long-term partnerships across the coal chain to ensure our customer needs are met.

CASE STUDY

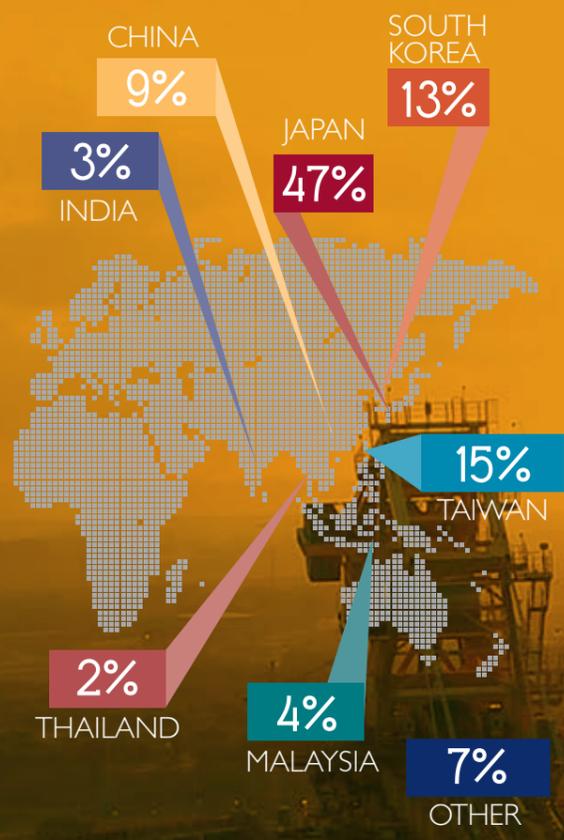
Service flexibility
Our two terminals function in tandem to maximise efficiency and throughput for our customers. Kooragang Terminal operates at a capacity of 10,500 tonnes per hour and is best suited for larger vessels and trains. Carrington Terminal, on the other hand, operates at 2,500 tonnes per hour and is best suited for smaller vessels and trains. At peak times, both terminals work together near or at capacity to meet demand and, importantly, allow the Hunter Valley Coal Industry to export to unique destinations around the world with a range of variable port capabilities. We focus on remaining as efficient as possible and provide service flexibility to meet our customers' needs.

VESSEL SIZE COMPARISON

- 11% HANDY SIZE VESSEL 60,000 TONNES
- 60% PANAMAX SIZE VESSEL 60,000-100,000 TONNES
- 29% CAPE SIZE VESSEL OVER 100,000 TONNES

- VESSELS DEPARTING CARRINGTON TERMINAL
- VESSELS DEPARTING KOORAGANG TERMINAL
- VESSELS DEPARTING BOTH TERMINALS

WHERE THE COAL GOES



Due to rounding, numbers may not add up precisely to the totals and percentages provided.

A DIVERSE CUSTOMER BASE

with 38 shipments being made for different producer or trading companies