



OUR CUSTOMERS CAN RELY ON US

We maintain and invest in infrastructure to improve our offer

Port Waratah's core operating strategy focuses on operating and maintaining our assets in a sustainable manner to ensure our export capacity of 145 million tonnes (Mt) per year is made available. Our Carrington and Kooragang Terminals provide reliability and flexibility for the Hunter Valley Coal Chain and we are well-positioned to meet any changes in demand.

Our ability to deliver a high-quality service to our customers while focusing on continuous improvement, demonstrates our experience, reliability and agility, and enabled us to achieve numerous performance highlights in 2020.

Performance

A number of operational records across the business were achieved in 2020. We completed several major maintenance activities and significant projects despite the challenges faced working in an environment impacted by COVID-19. We sustained a high level of operational performance with a comparatively low vessel turnaround time, high loading rates and strong reliability. In total we received, blended and loaded 105.9Mt of coal, with 15.5Mt at our Carrington Terminal and 90.4Mt at our Kooragang Terminal. This is a strong performance marking our ninth year of exporting more than 100Mt per year. It is slightly below our forecast of 112Mt and is a decrease of just 4.7Mt on our 2019 figures. We anticipate that overall demand for our services in 2021 will be high in the first half of the year but remain variable between months.

During the year, we successfully managed to ensure stable overall operating costs and therefore a stable coal handling charge for our customers throughout the year. The coal handling charge is forecast to continue at a medium-term sustainable level throughout 2021. During the year, we refinanced \$140 million of debt and diversified our funding base in a COVID-19 impaired market. We expect to maintain a consistently strong balance sheet, profitability and prudent loan amortisation into the future. Find out more in our Financial Report 2020, available on our website.

Several major projects were implemented during the year to improve integrity, reliability, safety and environmental performance across electrical, structural, belting and mechanical infrastructure. At Kooragang Terminal a trimmer flap and chute were replaced on a shiploader and more than 9.8km of conveyor belt was successfully replaced across both terminals. More than \$3.9 million was invested in major upgrades to electrical assets across the two terminals in 2020, including distribution boards, programmable logic control (PLC), air-conditioning systems, LED lighting and a main power upgrade at Carrington Terminal.

We also introduced an internal Service Delivery metric dashboard, which enables us to monitor performance and identify daily operational improvement opportunities across our two terminals. The dashboard helps to maximise our throughput and closely monitor customer service requirements as one team.

CASE STUDY

New drone technology

Living our value of Progress, the introduction of drone technology has eliminated the need for our Maintenance Service Team to inspect coal-loading chutes, a job that took several hours and team members.

Using drones to complete this maintenance task reduces several risks including working in a confined space, falling from heights, and injury from falling hazards such as tiles or debris. The Maintenance Services Team has three drones that can be used to inspect other equipment and infrastructure where access or heights pose a challenge and risk. In addition to being more efficient, we are able to obtain quality images of any equipment requiring repairs and more effectively manage maintenance planning outcomes, incurring less downtime and achieving improved cost efficiencies.

The new technology has also provided new training and development opportunities for employees, with 19 employees undertaking a six-day accredited training course to gain their drone pilot licence.

IN 2020
PORT WARATAH

LOADED

1,192 VESSELS

105.9

MILLION TONNES OF COAL

<p>90.4 MILLION TONNES FROM KOORAGANG</p>	<p>15.5 MILLION TONNES FROM CARRINGTON</p>
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NEW MONTHLY
OUTBOUND
SHIPPING RECORD
DECEMBER 2020
10.9MT

TRAIN CANCELLATIONS
0.7%

42