



## ASX ANNOUNCEMENT

Wednesday, 6 August 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange  
Level 45, South Tower Rialto  
525 Collins Street  
MELBOURNE VIC 3000

### ELECTRONIC LODGEMENT

Dear Sir or Madam,

#### **Asciano Bulk Rail Contracts**

Please find attached a media release for immediate release to the market.

Yours faithfully

A handwritten signature in black ink that reads "J. Mead". The signature is written in a cursive style and is contained within a white rectangular box.

**Fiona Mead**  
Company Secretary

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ABN: 26 123 652 862

## ASX / MEDIA RELEASE

Date Wednesday, 6 August 2008

# Asciano announces new bulk rail contracts

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### QUEENSLAND COAL CONTRACTS

Asciano has announced today that it has executed long term contracts with Rio Tinto Coal Australia and Xstrata Coal to commence the haulage of coal exports by rail in Queensland from early 2010.

The contracts are for an initial period of 10 years with further options to extend at the customers' election. The initial contracted volumes are in excess of 14 million tonnes per annum, servicing both the Goonyella and Blackwater systems.

Asciano Managing Director and Chief Executive Officer, Mr Mark Rowsthorn said, "After many months of negotiations securing these take or pay contracts is a significant milestone for Asciano. The contracts Asciano has entered into are unique and set a new benchmark for rail freight services in Australia. The partnership model agreed to by Pacific National and our customers, includes reciprocal performance indicators that will ensure coal throughput is optimised throughout the life of the contract."

Asciano will initially invest approximately \$380 million in new rolling stock and infrastructure to service the contracted volumes. Asciano will invest a further \$200 million to provide additional capacity for future growth. This additional capacity will be used to secure additional volumes with other coal companies, accommodate growing volumes from its existing customers, and to service spot markets in the region.

"This type of investment is perfect for Asciano as it launches Pacific National into a market that is experiencing continuing high levels of growth. Providing services in a rapidly-expanding export supply chain that is essential to Australia's economy is a unique opportunity", Mr Rowsthorn said.

"Queensland coal exports are expected to grow from 185mt per annum currently to over 300mt per annum by 2015 and 380mt per annum by 2020. By securing a presence in this lucrative market Pacific National will have the opportunity to leverage our unique operating capability, underpinned by brand new equipment, a flexible workforce and over 20 years of experience in the Hunter Valley, into a range of new growth opportunities."

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Further information about Asciano can be found on our internet site: [www.asciano.com](http://www.asciano.com)

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This new business is expected to deliver strong operating cashflows on baseline volumes when fully operational.

## **MANILDRA CONTRACT**

Pacific National has also announced that it has secured a five year agreement with Manildra for the haulage of all its commodities moved by rail.

The agreement includes an allocation of 8 train sets that will service Manildra's facilities at Manildra, Gunnedah and Narrandera in New South Wales.

Manildra expects its rail haulage needs will exceed 2 million tonnes per annum within the next few years.

The agreement includes the provision of three existing contracted services and five new services with revised pricing and contracts. The new conditions are aligned with the recently agreed grain haulage contract with GrainCorp and will further reduce Asciano's exposure to drought conditions.

"Securing take or pay conditions with Manildra and GrainCorp and resolving our Broadacre commitments with the NSW Government completes Pacific National's grain restructure and secures sustainable future earnings for this segment of the business", Mr Rowsthorn said.

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