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For Immediate Release

MEDIA RELEASE

GHD Wins Contract to Undertake Watermark Feasibility Study

One of the world's leading engineering, architecture and environmental consulting firms, GHD has won the contract to undertake a feasibility study for the Shenhua Watermark project.

Watermark's Project Director, Mr Joe Clayton stated that GHD had won selection through a stringent selection process which started in December 2009 and included proposals from all the leading Australian consultants operating in this field.

"A key feature of GHD's proposal is to generate significant gains in technical and economic efficiencies for the Watermark Project while minimizing environmental and community impacts," said Mr Clayton. "This approach aligns itself very well with Shenhua's core philosophy."

Combined with more than 80 years experience and close to 300 feasibility studies GHD proved they had the technical knowhow and social responsibility to work on the Watermark Project.

"Working within such an environmentally significant and sensitive area, we wanted to engage a company that had the depth of experience and knowledge to ensure the best outcome for both the Project and the community," continued Mr Clayton.

"Feasibility studies are a key milestone for any mining project as it provides companies with the information needed to define the scope and economic viability of a project.

"If a mine is not economically feasible then it will not progress to the approval stage."

The feasibility study will include a coal marketing plan, wash plant and mine infrastructure design, the mining method, a comprehensive water model, geotechnical assessments, economic mining strip ratios and production rates, rail and port logistics and an economic model.

The mine feasibility team will work closely with Hansen Bailey, the nominated specialist Environmental Assessment consultant, to ensure the mine plan takes into account all the environmental and community requirements of Part 3A of the Environmental Planning and Assessment Act 1979.

The feasibility study will commence immediately and aims to be completed by September 2010.

The Watermark Project covers a 195 square kilometre area approximately 35 kilometres out of Gunnedah towards Breeza and is Shenhua's first major international project.

Ends

For further information or to interview Joe Clayton please contact Melanie Layton Communications Manager on 6741 8800 / 0402 112 437.