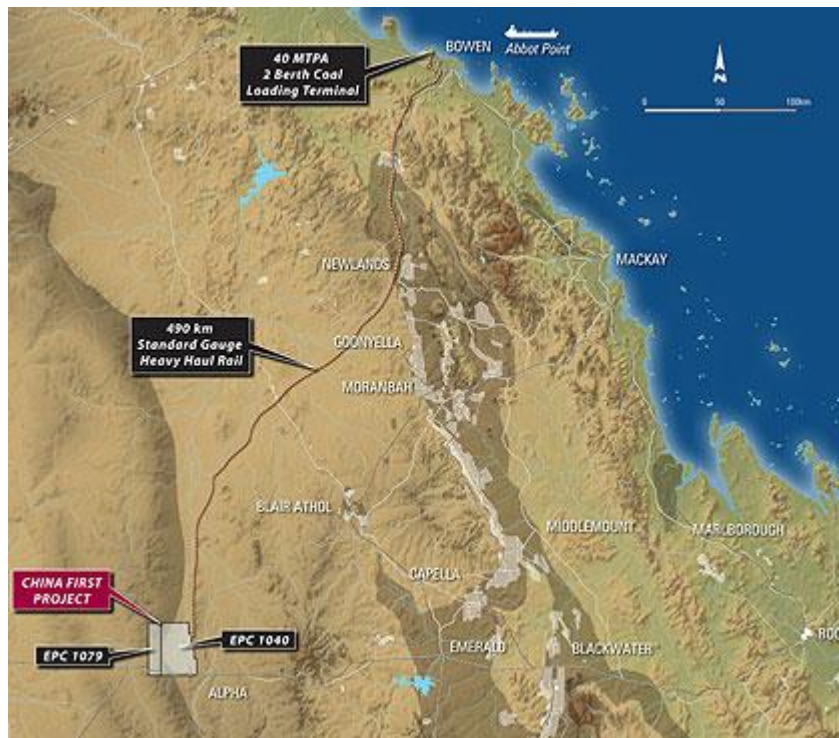


Palmer plans coal \$6.5b behemoth



A map showing the planned mine, rail line and port upgrade.

Daniel Hurst

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Mining magnate Clive Palmer has unveiled plans for one of the nation's biggest-ever resource projects in Central Queensland.

The \$6.5 billion Galilee Basin thermal coal mine, railway and port development is expected to create more than 6000 jobs during its three-year construction phase and some 1500 jobs once operational, possibly in 2013.

The proposed development includes about 490km of standard gauge, heavy haul railway line and a 40 million tonne per annum, two-berth export terminal at Abbot Point near Bowen.

Waratah Coal, the company acquired by Mr Palmer late last year, plans to mine 1.4 billion tonnes of coal in the Galilee Basin, west of Emerald, in a project known as "China First".

It will rely heavily on the Chinese Government-owned Metallurgical Corporation of China (MCC) for funding.

MCC, which will develop the project, has agreed to arrange borrowings from Chinese banks for 60 per cent of the capital costs. MCC will also invest a further 10 per cent.

Mr Palmer said today he expected the state and federal governments to speed up the environmental and other approval processes to enable construction to begin next year.

He said the project would directly create more than 6000 jobs during construction and 1500 jobs when the mine was up and running, with the benefits flowing on to support a further 45,000 jobs.

Mr Palmer said the project would help Premier Anna Bligh achieve her promise of creating 100,000 jobs. It may also assist the state to regain its AAA credit rating, creating \$4 billion a year in export income.

"It is creating billions of dollars in exports and thousands of jobs for Queenslanders," Mr Palmer said.

"This is the project of the century as it will open up all the wealth of the Galilee Basin wealth that can be deployed for the benefit of Queenslanders and Australians."

Mr Palmer said he was confident the demand for coal would be strong, with China's energy needs continuing to grow at a rapid pace.

MCC has agreed to purchase 30 million tonnes of coal per annum, at a value of \$3 billion each year.

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