

GENERAL

Evaluation period	30 years from commencement of construction	Volume Sensitivity	0
Discount rate	7% real	CAPEX Sensitivity	0
Assumed residual value of asset	40% Rail 10% Road		

RAIL COSTS

Length of new rail track	700 kilometres		
Rail track construction cost	\$ 2,000,000 kilometre	GHD	
Number of siding	3	GHD Estimate	
Passing loops	2	GHD Estimate	
Cost per siding	\$5,030,000	GHD	
Cost per passing loop	\$ 4,000,000	GHD	
Total rail capex	\$1,423,090,000		
Rail track maintenance cost	\$ 15,274 per kilometre	National Guidelines Vol.5 2007	
Train operating costs	1.490 cents/ntk	Meyrick Estimate using in house train operating cost model (excluding fuel excise and track access charges)	
Road haulage to rail line	\$ 3.24 per tonne	Meyrick Estimate, using NatRoads Truck Costing model - excludes fuel excise	
Average haulage from mine to rail	15 kilometres	Assumption	
Externalities	0.151 cents/ntk	DOI Vic	

ROAD COSTS

Road improvement costs	\$ 50,000,000	GHD Estimate	
Road wear cost	0.930 cents/ntk	NTC 2007 Heavy Vehicle Determination	
Truck operating costs	9.800 cents/ntk	Meyrick Estimate, using NatRoads Truck Costing model - excludes road user charge and fuel excise	
Externalities	0.276 cents/ntk	Estimate based on ARA 2005	