

18 May 2018

MACH and JCDA agree to establish major new joint venture at Mount Pleasant

Brisbane, Australia

MACH Energy Australia Pty Ltd (**MACH**) and JCD Australia Pty Ltd (**JCDA**) are delighted to announce that they have signed definitive documentation to form the Mount Pleasant Joint Venture and agreed to related offtake terms to supply Mount Pleasant coal to the major Japanese power utilities.

Under the agreements signed in Brisbane, JCDA will acquire a 5% interest in the Mount Pleasant Joint Venture.

The Mount Pleasant Joint Venture will also supply high quality coal under a coal offtake agreement to the major Japanese power utilities.

MACH Managing Director Ferdian Purnamasidi said the transaction represents a major endorsement of the Mount Pleasant operation.

“MACH is delighted to secure JCDA as our joint venture and offtake partner at Mount Pleasant,” Mr Purnamasidi said.

“JCDA represents the major electric power utilities in Japan, recognized world-wide as the perfect strategic partners and customers for our Mount Pleasant Newcastle benchmark MTP 6000 coal.”

“We are truly honoured that such a respected and established company such as JCDA would choose to work with MACH to help us achieve our vision to build Mount Pleasant into the best thermal coal operation in Australia.”

JCDA Managing Director Arata Iwaba said that JCDA had selected Mount Pleasant after an extensive due diligence process that demonstrated Mount Pleasant is one of the best new coal operations in the world.

“JCDA is extremely pleased to conclude this transaction with MACH,” Mr Iwaba said.

“JCDA seeks to secure stable supplies of coal for the Japanese power utilities. Our investment in Mount Pleasant will achieve that objective as the mine is about to commence production of high calorific value benchmark thermal coal products that will be ideal for the premium electricity generation markets of Japan.”

“We look forward to working with the MACH team to complete the development of Mount Pleasant in 2018 and build the operation into a foundation supplier of coal to the Japanese market.”

Under the transaction documentation agreed between the parties, MACH and JCDA will establish an unincorporated joint venture called the Mount Pleasant Joint Venture to develop and operate the Mount Pleasant project assets.

Japan Coal Development Co. Ltd (**JCD**) (the parent of JCDA), will acquire Mount Pleasant Newcastle benchmark product MTP 6000 coal from the Mount Pleasant Joint Venture under

a coal offtake agreement and also undertake exclusive marketing activities for the Mount Pleasant Joint Venture to a select group of Japanese power utilities.

Furthermore, JCD will undertake non-exclusive marketing activities for the Mount Pleasant Joint Venture to other customers in Japan.

MACH will market coal to non-exclusive customers in Japan alongside JCD and to the rest of the world for the Mount Pleasant Joint Venture.

-ends-

For more information:

Ferdian Purnamasidi
MACH Energy
+61 7 3493 3600
www.machenergyaustralia.com.au

Arata Iwaba
JCD Australia
+61 7 3012 8080
www.jcda.com.au

About MACH

MACH is a private Australian company that was established to acquire the world class Mount Pleasant thermal coal project from Rio Tinto.

MACH completed the acquisition of Mount Pleasant in 2016 and began construction of the project later that year.

MACH is a subsidiary of Droxford International Limited, part of the Salim Group.

About JCDA

JCDA is the wholly-owned Australian subsidiary of JCD and has been involved in the Australian thermal coal market for more than 30 years. JCDA has interests in other coal operations in Australia.

JCD was established in 1980 by the major electric power utilities in Japan that together supply nearly all of Japan's electric power. JCD's mandate is to secure stable supplies of high quality thermal coal required by Japan's electric power utilities. JCD has interests in key port infrastructure in Australia.

About Mount Pleasant

Mount Pleasant is located in the Hunter Valley and once fully developed will be one of the premier thermal coal mines in Australia. Construction at Mount Pleasant is nearing completion and first coal sales from the operation are expected in the second half of 2018.

Mount Pleasant hosts resources of 1.1 billion tonnes of coal and 667 million tonnes of recoverable reserves.

The operation is fully consented up to the targeted production rate of 10.5 million tonnes per annum ROM coal.

It enjoys one of the lowest strip ratios in Australia, with all-in FOB cash costs forecast to place Mount Pleasant in the first quartile of the global thermal coal cost curve.