

19 April 2017

MACH Energy rejects Bengalla claim

MACH Energy Australia Pty Ltd (**MACH Energy**) advises that it has today been served with legal proceedings commenced by Bengalla Mining Company Pty Ltd (**Bengalla**) in the Land and Environment Court of New South Wales.

Bengalla is seeking a declaration that a condition of MACH Energy's Development Consent for the Mount Pleasant Operation has not been satisfied, and an order restraining MACH Energy from further developing the Mount Pleasant Operation until that condition is satisfied.

MACH Energy categorically rejects the claim that the relevant condition of the Development Consent has not been satisfied.

MACH Energy's Managing Director Scott Winter said "These legal proceedings, by the operator of the adjacent coal mine, are without merit and will be strenuously defended. All conditions of the Development Consent have been satisfied, and all approvals are in place for the development of the Mount Pleasant Operation to proceed."

"In July 2016 the Minister for Industry, Resources and Energy acknowledged in writing that the relevant condition had been satisfied."

"Construction efforts at Mount Pleasant are well underway with about 200 workers currently based at site. MACH Energy is continuing the development of the Mount Pleasant Operation as planned, as we are entitled to do."

First coal from the Mount Pleasant Operation is expected in mid-2018.

Editorial note: MACH Energy acquired the Mount Pleasant Operation from Rio Tinto for US\$220.7M plus royalties on 4 August 2016, having signed a binding agreement to purchase the asset in late January 2016. The Mount Pleasant Operation is located near Muswellbrook, in the Hunter Valley, NSW. To date MACH Energy has awarded AU\$716M worth of work at the Operation. In recent months various Principal Contractors have been awarded contracts for the mining services; earth works; mine infrastructure area; coal handling preparation plant; local road upgrade; pipes and pumps and electrical scopes of work.

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