



23 April 2019

Charles Millsteed
Chief Executive Officer
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane Qld 4001

Dear Mr Millsteed

Confidential

I refer to the draft amending access undertaking submitted to the QCA for approval by Aurizon Network on or about late April 2019.

BM Alliance Coal Operations Pty Ltd ACN 096 412 752 (**BM Alliance**) is writing this letter in its own capacity and as agent for and on behalf of the participants in the CQCA Joint Venture, being:

- BHP Coal Pty Ltd ACN 010 595 721;
- BHP Queensland Coal Investments Pty Ltd ACN 098 876 825;
- UMAL Consolidated Pty Ltd ACN 000 767 386;
- Mitsubishi Development Pty Ltd ACN 009 779 873;
- QCT Mining Pty Ltd ACN 010 487 840;
- QCT Investment Pty Ltd ACN 010 487 831; and
- QCT Resources Pty Ltd ACN 010 808 705.

BM Alliance has been directly involved in the consultative process by which the draft amending access undertaking was developed and is satisfied that the process was appropriate and gave BM Alliance a fair and reasonable opportunity to influence the content of the proposed amendments to Aurizon Network's undertaking.

BM Alliance is also satisfied that matters of importance to it have been reflected in the terms of the draft amending access undertaking.

BM Alliance is satisfied that the draft amending access undertaking in the form submitted by Aurizon Network to the QCA on or about late April 2019 contains a significant number of increased and material benefits for access seekers, access holders and their customers, and that those benefits justify the financial outcomes the proposed amendments to Aurizon Network's undertaking secures for Aurizon Network.

BM Alliance's support of the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019 is conditional on that draft amending access undertaking being approved by the QCA in the same form as it was submitted to the QCA. BM Alliance does not by this letter support a draft amending access undertaking that is different to the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019.

There are some matters contained in the draft amending access undertaking on which BM Alliance does not express a view and in respect of which BM Alliance is happy for the QCA to determine in accordance with its discretion. Those matters are listed in the attachment to this letter.

Subject to those matters and the terms of the attached 'UT5 DAAU Implementation Deed' between Aurizon Network and the Company (including the condition that the QCA approves of the UT in the exact form (subject to immaterial changes) submitted by Aurizon Network to the QCA), BM Alliance and the JV Participants for whom it acts as agent support the QCA's approval of the draft amending access undertaking.

If the QCA makes a final decision to refuse to approve the draft amending access undertaking, does not make a final decision to approve the draft amending access undertaking by the 'Specified Date' in the 'UT5 DAAU Implementation Deed' or Aurizon Network breaches clauses 3.1, 4.4, 5, 6 or 10 of the 'UT5 DAAU Implementation Deed', then the Company may make further submissions to the QCA including in connection with the draft amending access undertaking.

Please feel free to contact Ruchi Gupta at Ruchi.Gupta@bhpbilliton.com should you have any matters you would like to discuss.

Yours sincerely



Frans Knox
Head of Production Integration
BHP Mitsubishi Alliance

Attachment 1

BM Alliance Coal Operations Pty Ltd does not express a view in respect of the following matters contained in the draft amending access undertaking and BM Alliance Coal Operations Pty Ltd is happy for the QCA to determine the following in accordance with its discretion.

- 1 the Reference Tariff values in Schedule F (7.2, 8.2, 9.2, 10.2, 11.2);
 - 2 the System Allowable Revenue values in Schedule F (7.3, 8.3, 9.3, 10.3, 11.3);
 - 3 any changes to payloads in Schedule F compared to those shown in the approved UT5;
 - 4 loading times for additional mines not included in the approved UT5;
 - 5 Gtk forecasts within Schedule F, to the extent that they differ to those contained in the approved UT5; and
 - 6 the values shown in Schedule K.
-