



Weekly Price Indices	26-Apr-10	19-Apr-10
globalCOAL RB Weekly Index US\$/t	91.93	85.25
globalCOAL RB Weekly Index R/t	675.10	634.12
globalCoal RB Monthly Index	82.99	82.99
globalCoal DES ARA Weekly Index	78.65	77.24
Weekly Exchange Rates		
Rand to US Dollar	7.34368	7.43832
Rand to Euro	9.82795	10.9298

BHP Billiton reported an 11% increase in the production of thermal coal during Q1'10 compared to Q1'09. Higher production was attributed to the continuing ramp up of Klipspruit mine in South Africa and record production at Hunter Valley Energy coal in Australia. Metallurgical coal production at the company's Australian operations was down 2% during the first quarter of this year compared to the same period last year.

South African coal prices have reached an 18 month high with spot trades reported at US\$100/t FOB during last week. Heavy rainfall in Indonesia recently caused some mines to declare force majeure and, as a result, traditional importers from that country have turned to the South African market in order to meet demand.

Matola Coal Terminal (TCM) is in the process of an upgrade which will bring terminal capacity up to 6Mtpa. This phase of the upgrade (Phase 3) includes amongst other refurbishments, a new stacker/reclaimer and a ship loader. The project is expected to be complete by September of this year.

JSW Steel estimates that it will have more export capacity in South Africa than it will be able to produce during the initial stages of production at its recently purchased South African Coal Mining Holdings (SACMH). The company plans to buy coal in the local market in order to fully utilise its port and rail allocation associated with the acquisition of SACMH.

SACMH's export allocation at the Richards Bay Coal Terminal (RBCT) is set to increase to 500ktpa following the terminal's expansion to be completed in May'10, however, true allocated tonnages for 2010 are to be recalculated by the RBCT following the agreement that all port allocation is to be reduced proportionally to accommodate insufficient rail

capacity this year. The mines' current export capacity is 207ktpa. JSW plans to assume operation of SACMH during May, ramping up production over several months. The company said it plans to buy other mines in South Africa, situated in close proximity to SACMH.

Riversdale Mining reported quarterly production down 3% to 179 700t during Q1'10. Riversdale reduced output in order to compensate for insufficient pit room which was caused by excessive water and periodical gas in the main development area at its Deep E Shaft.

According to Riversdale Mining chairman Michael O'Keefe, Riversdale is planning to adopt a long term pricing system next year when it starts exporting coking coal from Mozambique.

Recent price trends saw larger coking coal producers, including BHP Billiton, Macarthur Coal and Gloucester Coal, shift to a quarterly pricing system for coking coal in order to benefit from rising prices for coal and iron ore. But O'Keefe said that a longer term pricing strategy will foster good relations with its customers and investors.

Korean power utilities are planning to put out a second tender for thermal coal. The new tender will involve approximately 1Mt of coal to be sourced from South Africa or Colombia, for delivery in Q3'10 and Q4'10. Bids open during May 2010.

The first South Korean spot tender for thermal coal launched during March, involved 1.125Mt of thermal coal for delivery in Q2'10 and Q3'10. As Australian coal prices escalate, breaking the US\$100/t mark during last week, Korean power utilities are looking for cheaper options to their traditional source.

Richards Bay Coal Terminal reported that exports to India rose 27% to 4.55Mt in Q1'10 compared to 3.59Mt in Q1'09. South Africa exported 2.44Mt to India during Mar'10, a 45% increase when compared to the same period last year. Exports to China approximated 1.9Mtpa during the Q1'10. Thermal coal exports to India and China account for about 42% of total RBCT exports during the first quarter of this year.

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