



June 3, 2003  
J-POWER

## **J-POWER Acquiring an Equity Interest in Clermont Coal Joint Venture**

The Electric Power Development Company (President: Yoshihiko Nakagaki; "J-POWER") has recently signed a Memorandum of Understanding with the Queensland Coal Pty. Limited, a member of the Rio Tinto Group, and Mitsubishi Development Pty. Limited, a member of the Mitsubishi Corporation Group, for the acquisition from the two companies of a 15% interest in the equity of Clermont Coal Project Joint Ventures ("CJV"). J-POWER will therefore take required measures including conclusion of joint ventures and transfer of rights contracts.

Under this deal the CJV is to carry out a feasibility study for the next two fiscal years with a final decision on development approval due to be made in 2005.

J-POWER is already engaged in the joint development with the Rio Tinto Group of the Blair Athol coal mine in Queensland, Australia, and is considering the Clermont Joint Venture as an extension of this coal project.

- The Clermont coal has a very similar quality to the Blair Athol coal. It will therefore be easy for J-POWER to use the Clermont coal which will be available in sufficient quantities.
- The infrastructure used at the Blair Athol coal mine, including the coal truck loading equipment, railway and port facilities can also be utilized for the Clermont Project.
- The Pacific Coal Pty, Limited, a member of the Rio Tinto Group, has already established a sound operating record, reassuring hopes for reliable operation at Clermont and for the continuation of the excellent relations built with the Group during the development of the Blair Athol coal mine.
- The Mitsubishi Corporation Group with its active involvement in coal development will join the Joint Ventures Project.

### **Overview of the Clermont Coal Project**

Location	North Bowen Basin, Queensland, Australia (roughly 10km east of the Blair Athol Coal Mine) Approx. 280km (by rail) to the Dalrymple Bay Coal Terminal (DBCT)of the shipping
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Coal Resources	Coal deposits	North-south 5km, East-west 1.5 km, depth 80 - 250m
	Coal seam structure	Main seam is a Wolfgang stratum with a maximum total thickness of 40m.
	Coal reserves	215 million tons
	Confirmed minable reserves	Salable coal: 184 million tons
Mining	Average strip ratio	3.7 : 1
	Extraction method	Truck & shovel
Infrastructure	Transport to railway	Conveyor (Concentrate storage yard - Concentrate storage yard near BAC branch line)
	Rail wagon loading facilities	Installed on the Blair Athol Coal Mine Branch Line
Development schedule	Feasibility Study for final development approval	~ 2004/5
	Development approval	2005
	Start of development	2006
	Start of production	2008 (Production capacity: 10 million tons/year or more. Life of coal mine: 21 years)
Main customers		Overseas market, mainly Japan

End of announcement