

Perdaman and Griffin in 25-year coal supply deal

PERDAMAN Chemicals and Fertilisers and Griffin Coal's administrators KordaMentha signed a binding 25-year agreement on Tuesday afternoon for the supply of up to 2.95 million tonnes of coal a year.

And construction of the \$3.5 billion urea manufacturing plant at Collie's Shotts Industrial Park is expected to start in about seven months.

Coal supply is to start in the second half of 2014, Perdaman's corporate director Andreas Walewski said on Tuesday.

Perdaman's urea manufacturing plant is expected to produce 2 mil-

lion tonnes of urea per annum for local customers as well as for export through the Port of Bunbury.

"We are very happy and appreciative of (Griffin Coal administrator) Brian McMaster of KordaMentha for sticking with it. Not many administrators would have done that but it was in the best interests of Griffin Coal," Mr Walewski said.

Perdaman chairman and managing director Vikas Rambal also said Perdaman appreciated the Griffin administrators' efforts in finalising the contract during a difficult period for Griffin Coal.

"This agreement is a significant

step forward in terms of having now signed the three key contracts — urea offtake agreement, the engineering, procurement and construction contract and coal supply agreement, which allows us to accelerate the debt funding phase of the project", Mr Rambal said.

"The deal underwrites the financial viability of Griffin and will help us moving forward with our debt funding. "We are on track for financial closure towards the second quarter of next year."

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Mr Walewski said he expected construction of the Collie urea plant to start in July.

The recent collapse of Burrup Fertilisers "was sad in a way and does not make our life any easier", he added.

Burrup Fertilisers, is the

largest ammonium producer in Australia. The plant is situated on the Burrup Peninsula in WA and produces 759,000 tonnes per year.

Such business disasters made getting finance for projects such as the Perdman plant more difficult, he said when asked.