

Media Release

Coal line resumes full operations after 10 day shutdown to improve service efficiency

9 January 2008

Transnet Freight Rail has announced it has resumed normal operations at the coal line to Richards Bay Coal Terminal (RBCT). The shutdown, between 27 December 2007 and 6 January 2008 was meant to improve infrastructure maintenance and significantly enhance reliability.

"The shutdown did not have adverse effects on the RBCT port stockpile in spite the fact that the line was running at half its capacity. The average RBCT port stockpiles in 2007, ranged between 3.6 and 3.8 million tons per month and in December there were 2.2 million tons, which shows that the effect was minimal".

"To provide for more demand TFR has made 78 million tons of rail capacity available for the current financial year, of which mines have contracted 70 million tons. It is hoped that the supply of coal by the mines will match rail capacity going forward and that all the supply chain partners will meet their commitments".

"The 10 day shutdown will go along way in securing a constantly reliable rail service throughout the year. It enabled us to implement a series of measures to solve service disruptions arising from issues such as derailments and severe weather conditions", said TFR spokesperson, Sandile Simelane.

"Amongst some of the measures is the implementation of a system, known as the **Wayside Intelligent Long Stress Management System**, which will address problems leading to derailments. This system constantly measures rail stresses through the early detection of defects, therefore allowing proactive action to be taken. It has been implemented between Vryheid and Richards Bay (where most derailments occurred), at a cost of R50 million. TFR anticipates that that the entire line will be covered over the next two years. The company has also imported **flash butt welding machines** which are far superior to those used in the past and this too reduces the likelihood of rail breaks".



To better withstand severe adverse weather conditions, robust installation technology to double up the strength of the current system has been installed. The company has also hooked-up to a 24/7 weather forecasting system so that proactive action like the deployment of resources to affected areas is now possible.

The company has also reported that it has increased its coal throughput by 0.3% for the first nine months of this financial year compared to the same period last year. "We will not flinch from our commitment to delivery, and we remain committed to sustaining the competitive advantage that the Coal line provides to our customers. The operation provides world-class heavy haul transportation of coal, a fact that we are extremely proud of", continued Simelane.

Commenting on the initiatives, Richards Bay Coal Terminal Executive Chairman Kuseni Dlamini, said "the RBCT welcomes the initiatives by TFR aimed at improving service delivery to the coal export value chain. With RBCT's new increased capacity of 76-mta effective January 2008 and the planned increase to 91 mta by 2009, TFR's reliability and efficiency will underpin the success of the South African coal export industry. I believe that SA's competitiveness in the global coal market hinges on an integrated world class export coal value chain", he continued.

-Ends-

Issued by Transnet Freight Rail

For further information contact:

Sandile Simelane
Spokesperson
Transnet Freight Rail
Cel. 083 703 4179