

Perdaman rail deal for urea transport to port

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Perdaman Chemicals and Fertilisers expects to "very soon" finalise a coal supply deal with Griffin Coal's administrators for its planned \$US2.5 billion (\$2.7 billion) fertiliser plant, after yesterday signing a rail access deal to take its product to port.

Reiterating that Griffin's collapse had not derailed plans for the urea plant near Collic, Perdaman director Andreas Walawski welcomed the heads of agreement with WestNet Rail as a "crucial" milestone.

"Having allocated or reserved rail paths is crucial because it's not something you can easily create," he said.

Mr Walawski said a deal with administrators KordaMentha to lock down future coal supply was close. "We are actually negotiating and finalising the deal with Griffin as we

speak," he said. "We expect to sign a coal supply agreement (with administrators KordaMentha) very soon.

"Our contract will add value to Griffin."

Before its collapse in January, Griffin signed a 25-year supply deal to supply Perdaman with 2.7 million tonnes of coal a year.

Perdaman has maintained the deal will stand regardless of which company acquires the Griffin assets.

Perdaman's proposed urea plant will produce two million tonnes of urea a year, to be exported through the port of Bunbury using WestNet's rail network. The parties hope to formalise the rail agreement within weeks.

Griffin collapsed with debts of at least \$700 million after failing to make a \$25 million payment to US bondholders owed about \$525 million.