

Media Release

25 May 2022

\$50m+ loco investment to support growth in high-demand commodities



One of the new Aurizon locos rolling out of UGL's Newcastle manufacturing facility.

Ten new heavy-haul locomotives are hitting the tracks in New South Wales (NSW) and Western Australia (WA) as the nation's largest rail freight business Aurizon meets customer growth in high-demand Australian commodities such as copper, lead, zinc and grain.

Four locomotives have already rolled out of manufacturer UGL's Newcastle's facility in recent weeks and have been deployed immediately to support the growth of resource companies in the minerals-rich province of Cobar in western NSW.

The remaining six locomotives will be commissioned in coming months, meaning that Aurizon is well positioned for new customers seeking transport solutions for their products, as well as supporting the continued growth and success of our existing customer base in NSW and WA.

The ten locomotives represent a \$50 million+ investment in additional haulage capacity for Aurizon's Bulk business.

Aurizon has secured a number of new contracts in NSW, with trucking, terminal and rail services available to our growing customer base. Our trucking fleet carries mining inputs and mining outputs to a regional logistics terminal for railing to and from Aurizon Port Services (APS) at the Port of Newcastle. In February, Aurizon also commenced rail services for Tronox, transporting mineral sands product some 2,900 kilometres westward from Broken Hill to Kwinana, south of Perth for processing.

Aurizon's growing grain-haulage business throughout Australia now moves more than 9 million tonnes per annum to ports in Queensland, NSW and WA. Our New South Wales business services approximately 30 grain receival and handling facilities feeding into the Port of Newcastle. In Western Australia, Aurizon has a long-term contract with Australia's largest grain co-operative CBH and is ramping up rail capacity for a record harvest.

In 2021, Aurizon acquired APS which includes an export terminal and ship loading facility for bulk commodities, adjacent to rail infrastructure at the Port of Newcastle.

"The APS acquisition has been the catalyst for securing a strategic foothold in the NSW Bulk market, where we can offer direct rail access to the port for regions that boast rich mineral and agricultural wealth," said the head of Aurizon's Bulk business, Group Executive Clay McDonald.

"By extending our transport and logistics capability, Aurizon can support the growth and success of customers and the regional economies in which we operate. No better example is the extraordinary growth we are seeing in the Cobar minerals province.

"Our \$50 million investment in these new locos is a big vote of confidence in the continuing growth in the region, and the capability of our Aurizon team in delivering growth tonnages, safely and reliably, for our customers.

"New locomotive fleet also gives us the extra capacity and flexibility in a market like Western Australia where there is continuing strong growth in the resources and agricultural sector. Our Bulk business has been working hard with CBH to increase rail capacity and fleet efficiency in meeting the record grain harvest produced by WA growers."

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Aurizon (ASX: AZJ) is Australia's largest rail freight operator. Each year the Company transports more than 250 million tonnes of Australian commodities, connecting miners, primary producers, and industry with international and domestic markets. More than 80% of our employees live and work in rural and regional communities.
