



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

3 April 2017

Update on impacts of Cyclone Debbie

Please find attached a copy of an announcement for release to the market.

Kind regards

A handwritten signature in black ink, appearing to read "D. Smith".

Dominic D Smith
VP & Company Secretary

ASX Announcement

Date: 3 April 2017

Update on impacts of Cyclone Debbie

As a result of Cyclone Debbie and localised flooding, Aurizon has mobilised all available crews and resources over recent days to inspect and commence repairs, where possible, on the four coal systems (Newlands, Goonyella, Blackwater and Moura), which are part of the Central Queensland Coal Network. The re-opening times for each system listed below are estimates only and subject to weather conditions.

Blackwater (connecting into the Port of Gladstone)

The Blackwater system was closed to rail traffic at 2100hrs on Wednesday (29 March 2017) due to localised flooding. It re-opened on Friday (31 March 2017) however due to further flooding in Rockhampton and surrounding areas it closed again - with the exception of the North Coast Line portion of the system which remains open - at 1500hrs on Saturday (1 April 2017). At this stage the system is expected to open again by the end of this week, subject to further assessment as flood levels recede.

Newlands (connecting into Abbot Point Coal Terminal)

The Newlands system was closed to rail traffic at 1200hrs on Tuesday (28 March, 2017). Aerial inspections have continued to assess any residual flooding issues and damage to the rail infrastructure. Crews on the ground are also 'running' the corridor, and level crossing equipment will be examined and returned to safe operation. Initial reports indicate that while there are a significant number of sites with minor damage, there are no reports of major damage. At this stage the system is expected to re-open in the next 2-3 weeks.

Goonyella (connecting into Dalrymple Bay Coal Terminal and Hay Point Coal Terminal).

The Goonyella system was closed to rail traffic at 1200hrs on Tuesday (28 March 2017). Aerial inspections have been conducted and a program of works is being assessed and planned. Road and rail access to the rail corridor is severely limited, especially around the Black Mountain area, west of Sarina, where initial assessments indicate significant landslips have occurred on the rail corridor. Further geotechnical assessment of this site will occur, however initial engineering assessment indicates recovery of the rail infrastructure will take approximately five weeks.

Aurizon will examine alternative routing opportunities for impacted customers and above rail operators as other systems become available in the coming weeks, from the western sections of the Goonyella system, north up the Newlands system to Abbot Point Coal Terminal, and south through the Blackwater system to the Port of Gladstone.

Moura (connecting into the Port of Gladstone)

The Moura system was closed to rail traffic at 0900hrs on Wednesday (29 March 2017). Aerial inspections of the corridor have commenced however road and rail access to the rail corridor is limited. Initial reports indicate some damage to rail infrastructure. At this stage the system is expected to re-open in two weeks.

West Moreton Coal System (infrastructure owned and operated by Queensland Rail)

On Wednesday (29 March 2017) Queensland Rail closed the corridor which is used by Aurizon coal and freight services from south west Queensland into the Port of Brisbane. The corridor has now re-opened and coal and freight trains have recommenced operating.

General freight

In respect to general freight, Aurizon is continuing to work with Queensland Rail for the operation of freight train services on the North Coast Line. The track was closed yesterday (2 April 2017) at Rockhampton in anticipation of flooding.

Services between Brisbane to Rockhampton will resume immediately the track is open. This will allow Intermodal's Seafreighter services between the Port of Brisbane and Rockhampton to resume. Intermodal is working with major grocery retailers to transport their product into north Queensland using the road network, where possible.

FY2017 Implications

The cost of repairing rail infrastructure and the loss of Network revenue is expected to be recovered as part of the established regulatory process with the Queensland Competition Authority. However, there will be a change in timing of when income is received and costs are incurred which is likely to have a negative impact on FY2017 Network earnings.

In relation to the Above Rail business, the temporary closure of the coal systems will have a negative impact on FY2017 volumes and earnings. However, it is too early to assess whether there will be a change to Aurizon's FY2017 volume and EBIT guidance. As soon as the company has more clarity on the length of system closures and the options available to mitigate the loss of volumes, a further update will be provided.

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