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INDEPENDENT COMPLIANCE AUDIT REPORT TO AUSTRALIAN RAIL TRACK CORPORATION LTD

We have audited Australian Rail Track Corporation Ltd's (ARTC) compliance with the system true up test obligations under Schedule 2 of the Access Holder Agreements for the period ended 31 December 2011.

Respective Responsibilities

Australian Rail Track Corporation Ltd is responsible for compliance with the system true up test obligations as per Schedule 2 of the Access Holder Agreements.

Our responsibility is to express a conclusion on compliance with the system true up test obligations as per Schedule 2 of the Access Holder Agreements, in all material respects. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide reasonable assurance that Australian Rail Track Corporation Ltd has complied with the system true up test obligations as per Schedule 2 of the Access Holder Agreements.

Work Performed

Our procedures included investigating whether there was an obligation to perform a detailed system true up test for the period ended 31 December 2011 by determining whether any Access Holder Agreements were in place prior to 31 December 2011. This was performed by examining the execution dates of Access Holder Agreements and Operator Sub-Agreements and direct confirmation from the remaining identified potential Access Holders that Access Holder Agreements were not yet in place.

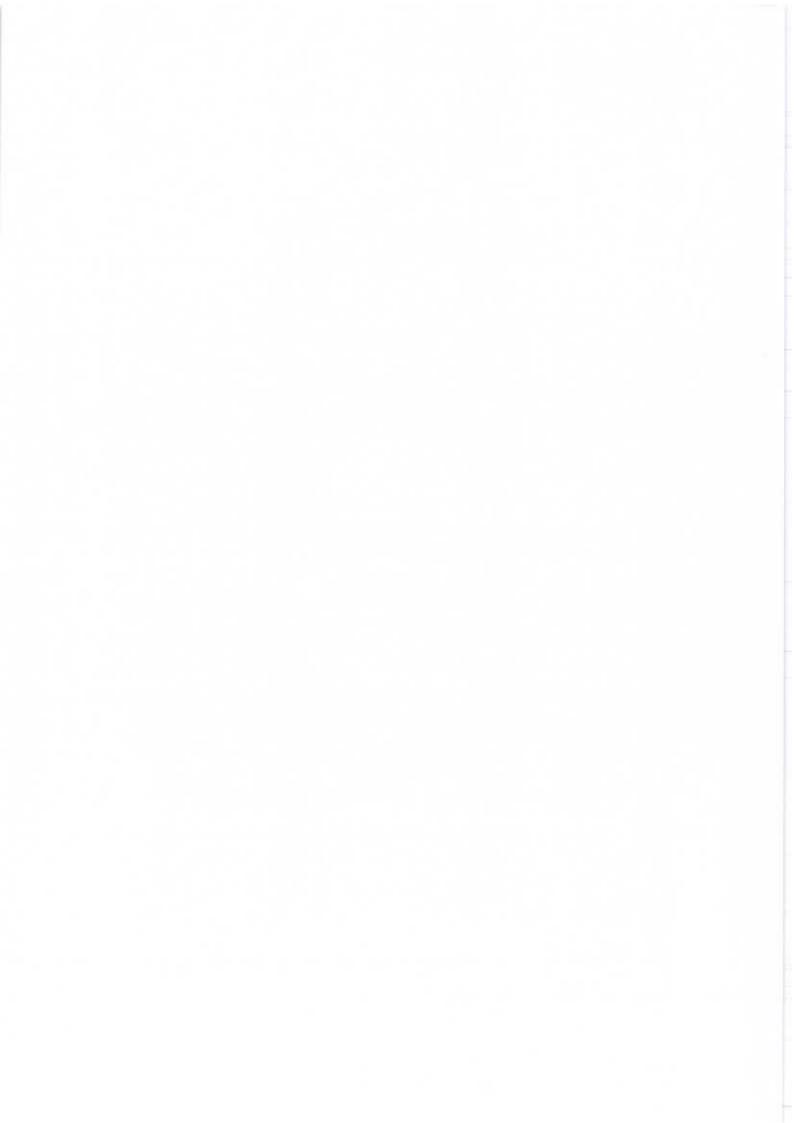
In addition, a review of coal mining licenses in the Hunter Valley region was performed to assess the completeness of potential Access Holders. These procedures have been undertaken to form a conclusion as to whether Australian Rail Track Corporation Limited has complied in all material respects, with the system true up test obligations as per Schedule 2 of the Access Holder Agreements for the period ended 31 December 2011.

Use of Report

This compliance audit report has been prepared for Australian Rail Track Corporation Ltd in accordance with section 4.10(f) of the Hunter Valley Coal Network Access Undertaking. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than Australian Rail Track Corporation Ltd, or for any purpose other than that for which it was prepared.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.





Conclusion

In our opinion, in all material respects, Australian Rail Track Corporation Ltd was not required to perform a system true up test in accordance with Schedule 2 of the Assess Holder Agreements for the period ended 31 December 2011.

Findings

We note the following relevant findings in relation to the period ended 31 December 2011:

- The Access Holder Agreement clearly states that the Access Holder Agreement and the Operator Sub-Agreements together comprise the basis on which ARTC grants the Access Holder access to the Network and the use of those access rights by nominated operators
- A review of Access Holder documentation did not identify any Access Holders with both an Access Holder Agreement and Operator Sub-Agreement executed prior to 31 December 2011
- 3. Where executed documents were not available for potential Access Holders identified by ARTC, direct confirmation was obtained from the potential Access Holder confirming they are yet to execute an Access Holder Agreement
- 4. A review of the coal license owners in the Hunter Valley region did not identify any potential Access Holders not previously identified by ARTC.

BDO (SA)

Paul Gosnold Partner

30 April 2012

