



LANCO HOPES TO TURN IT AROUND

Griffin loss provokes Collie mine doubts

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Fears are mounting about the plight of a Collie mine that supplies coal to one of the State's biggest electricity generators after it posted one of its biggest losses.

Griffin Coal, the Indian-owned mine bought from the wreckage of former tycoon Ric Stowe's failed business empire in 2010, posted losses of \$20 million in the three months to December 31.

The result is even worse than the \$18 million and \$17 million losses Griffin recorded in the previous two quarters.

It also casts a shadow over the security of coal supplies to Bluewaters power station, which supplies electricity to Boddington Gold Mine, the Water Corporation and State-owned energy utility Synergy.

Griffin's owner, Lanco Infra-tech, hopes to turn around the

miner by exporting 18 million tonnes a year of coal out of Bunbury by 2018.

James Riordan, Griffin's chief financial officer, said the multi-billion-dollar plans were still on track despite the latest results.

In the meantime, he said, Griffin was pushing ahead with interim plans to export coal in boxes through Bunbury and "evaluating" its business to rein in costs.

However, WA's peak green group seized on Griffin's losses and Lanco's finances — it lost \$103 million in the December quarter — to suggest the future was dire.

Conservation Council of WA spokesman Cameron Poustie said it was disingenuous for Lanco to suggest it could afford to expand Griffin and it should stop giving people in Collie false hope.

"The proposed new coal export berth at Bunbury Port was already a major environmental concern and the opposition in Bunbury has been growing," Mr Poustie said.

"But now even supporters of the idea should understand this export proposal appears unlikely," Tim Buckley, from the Australasia Institute of Energy, said Griffin's production was slipping despite its aim of increasing output to 5mtpa this financial year and 18mtpa by 2018.

Lanco froze "expansionary" capital spending at Griffin six months ago to preserve cash — a measure Mr Buckley said was still in place and meant the miner was effectively on care and maintenance.