



PRESS RELEASE

Shining a spotlight on opaque met coal markets

A brief Q & A with globalCOAL's Head of Metallurgical Coal, Phil Shawcross...

Q: globalCOAL is launching screen trading for met coal – why?

A: As the market has moved away from term contracts towards spot pricing, we've seen a real need for reliable, transparent price reference points in seaborne met coal markets.

We aim to tackle this by offering the ability to trade standardised parcels of mid volatile met coal delivered FOB Australia.

By standardising the product specifications and logistical T&Cs, our Market Members will be able to focus on what's most important – price and volume. We like to call it 'comparing apples with apples'!

Q: What kind of met coal will be available to trade on screen?

A: We will have a single specification on screen at launch – premium mid volatile met coal delivered FOB Australia ('HCCA').

[The HCCA product](#) is defined with clear quality specifications and strict rejection parameters which give buyers comfort that only high quality coal or specific coal brands can be delivered.

All transactions on the platform will be basis [SCoTA®](#) – globalCOAL's tried-and-tested Standard Coal Trading Agreement.

Q: The met coal market historically trades branded coal; will market participants have an option to select the brand they wish to trade on screen?

A: While there will be one specification, we are offering **2 physical markets – HCCA and HCCA Branded**.

Coal in both markets must adhere to the same strict quality specifications, however bids / offers in the branded market must be for coal from one of the following 5 brands: **Goonyella, North Goonyella, Oaky Creek, Illawarra or Moranbah North**.

Q: Why did you choose those brands?

A: Our intention is to help standardise and bring price transparency to the market, while also facilitating the current market practice of buying and selling branded coals.

The specification was carefully defined in order to capture significant volumes of widely consumed coking coal, produced by the widest range of producers. This will help concentrate pools of liquidity around these products on screen; the greater the liquidity, the more transparent and robust the price becomes.

Q: Who will be online at launch?

A: Given our track record in bringing price transparency to thermal coal markets, we have had great support from right across the industry. Key participants from the steel industry will join international traders and the largest Australian mining companies on screen.

You can [see a full list of our Market Members here](#).

Q: Do you expect bids / offers to concentrate on the spot market, or further out the curve?

A: While we initially expect liquidity will centre on the spot market, we predict that a forward market will develop over time, helping to provide forward price visibility which market participants will be able to incorporate into their planning and investment modelling.

[Learn more about trading metallurgical coal on globalCOAL here](#), or contact us @

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About globalCOAL®

globalCOAL was founded by leading members of the world coal industry to promote screen trading of standardised coal products. The company has developed the world's leading electronic marketplace for thermal coal, as well as a range of standardised coal quality specifications, a Standard Coal Trading Agreement (SCoTA®), and robust methodology for coal price index calculation. globalCOAL is also cooperating with leading energy exchange ICE Futures Europe to develop the coal Futures market. For more information, please visit www.globalcoal.com

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