

# PIT TO PORT

Colombia



## Guajira Thermal Coal Project, North Colombia

MPX Colombia is looking to develop a project in northern Colombia consisting of all the infrastructure necessary to move coal from the mine to the ships. Wholly owned by Brazilian Company EBX, the new mines will provide coal for their power stations in Brazil and also for global export.

The Guajira Thermal Coal project involves the development of three coal mines, two open pit mines and a large scale underground mine, a 150-kilometre rail line to the Atlantic Ocean and a new marine port. All are on greenfield sites. In parallel, the roads connecting the mines to the port will be improved.

Phase 1 is for 5 million tonnes per annum (Mtpa) and will be delivered in 2013 (includes two surface mines and trucking to the port).

Phase 2 is to increase production to 35 Mtpa by 2015 (underground coal mine, rail line and expanding the port).

For the project to proceed, a Bankable Feasibility Study (BFS) is needed for each phase to evaluate whether the project is technically feasible, commercially viable and finance can be obtained.

### Evans & Peck's role

Evans & Peck supplied senior advisers to the project to provide an initial strategic assessment and review of previous consultants' work as a part of the WorleyParsons team. Subsequently the client engaged WorleyParsons to prepare the Phase 1 BFS as well as become the Owner's Engineer and Project Management Contractor. Our role, working as a key part of the integrated WorleyParsons project team to support the procurement, contract management and mining infrastructure work, has involved:

- evaluating cash flows, risks and the business model as well as marketing contracts for the output
- developing capital expenditure (capex) and operating expenditure (opex) models

- developing a contracting and delivery strategy including early contractor involvement (ECI) contracts, construction contracts, mining contracts for the production in the open cut mines, material handling, trucking contracts and shipping contracts
- developing a master program for the works.

MPX has now extended the WorleyParsons role to include preparation of the Phase 2 BFS and Evans & Peck staff will provide specialist support.

### Results

Evans & Peck has brought an integrated, whole of project approach to the initial strategic assessment and has delivered ongoing commercial and practical advice, based on a 'best for project' approach that extends beyond just the engineering and technical issues.

This information is communicated to WorleyParsons and MPX in a format that can be readily understood and acted upon.

### FACTS AND FIGURES

Client: WorleyParsons/MPX  
Colombia

E&P involvement: January 2011 to present

Delivering commercial and practical advice on a multi-billion dollar greenfield 'pit to port' project in Colombia.



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