



PRESS RELEASE

globalCOAL Updates Phys INDO Specs

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Aiming to improve transparency and increase liquidity in the Indonesian coal market, globalCOAL will be launching a revised version of the INDO C spec in the Standard Coal Trading Agreement (SCoTA®).

In its updated form, INDO C will be priced on a 4,900 kcal/kg NAR basis, with minimum CV set at 4,600. In addition, specifications for maximum Selenium, Boron and Calcium Oxide will be removed, maximum Nitrogen will be increased to 2.4% and minimum IDT will be lowered. It is expected that this modification will significantly increase the range of coals which can be delivered into the INDO C contract, and bring it in line with Korean and Chinese purchasing patterns.

“The main objective of this revision is to bring more sellers and more buyers to the INDO C market,” explains James Meredith, Contract Manager at globalCOAL. “The more physical trades go through the globalCOAL platform, the more transparent data points are available to strengthen market indices for sub-bit coal.”

Physical contract index-linked to IHS McCloskey Indonesian Sub-Bituminous FOB marker

Responding to the need for better risk management tools for the Indonesian market, globalCOAL will also be introducing a new screen-traded contract which will enable market participants to trade INDO C coal priced against the IHS McCloskey Indonesian Sub-Bituminous FOB marker.

“The INDO C revision brings the physical specifications in line with those of IHS McCloskey,” says Eoghan Cunningham, CEO of globalCOAL. “This means physical trade data can be seamlessly fed into the index, and the index becomes more effective as a settlement mechanism and as a tool for price risk management.”

The new INDO C specification will be introduced as part of version 7d of SCoTA which will go live at 18.00 (London time) on 24 October 2010.

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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

Global Commodities Holdings Limited 30 Coleman Street
London EC2R 5AL
United Kingdom T: +44 (0)20 7776 5904
F: +44 (0)20 7776 5902
Company Number 04007764

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