

Derailment suspends Maputo coal exports

Coal of Africa said on Thursday (28 February) that it had been advised by Transnet Freight Rail (TFR) of a derailment of 10 wagons on the Maputo (Matola) rail corridor last week that led to all rail traffic between Komatipoort and Maputo being suspended.



"Based on the current information the suspension is for a period of at least seven weeks. TFR has attempted to establish alternative routes to the Matola Port, which to date have unfortunately been unsuccessful.

"Accordingly, the company advises that its subsidiaries Limpopo Coal, (the holding company for the Vele Colliery), Langcarel, (the holding company for Mooiplaats) and NuCoal Mining, (the holding company for Woestalleen) have issued *force majeure* notices to their customers, contractors and other affected stakeholders," CoAL said.

It said the company would implement measures at all operations to mitigate the commercial and operational impact of this *force majeure*. Production at Mooiplaats and Woestalleen would continue until stockpile capacity was exhausted.

"The existing stockpiles at Vele are at full capacity and have resulted in the temporary suspension of production. This suspension will preserve cash resources by reducing costs, as the colliery is currently in developmental and product testing phase. Vele Colliery's essential services will continue and a buffer contingency plan has been initiated to enable production to restart within 24 hours once TFR resumes operations on the Matola corridor," the company stated.

In the second quarter of its current financial year, the company reported production of 1,153,486 tons of run-of-mine coal which 194,495 tons (16.86%) was produced by the Vele Colliery. The company exported 411,297 tons and in addition sold 418,355 tons to the domestic (inland and Eskom) market in the same period. The company's take-or-pay obligations will be adjusted as a result of the *force majeure*.

For more, visit: <https://www.bizcommunity.com>