

**Report of the Duralie Coal Mine Community Consultative Committee
Held Thursday 7 May 2009**

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Present: Mr T Tersteeg, Mr A Fisher-Webster, Mr D Lanham, Ms H Gillard, Mr G Handford, Ms Karen Hutchison, Mr T Hutchings, Mr J Trotter.

Apologies: Cl Jan McWilliams.

In the absence of Cl McWilliams, Mr Handford was nominated Acting Chairperson for this meeting.

The meeting was preceded by a site inspection.

Confirmation of Minutes Of Previous Meeting Held 5 February 2009:

Minutes of the last meeting were confirmed and accepted by the Committee (moved by Mr D Lanham, seconded by Mr T Tersteeg).

Business Arising from the Previous Minutes:

Mr Handford stated that he would distribute grant funding allocation information to the Committee later during the meeting.

General Business:

Report on Environmental Monitoring (Mr Trotter)

(comments applicable to results tabled since last meeting)

Mr Tersteeg stated that for the Biological Monitoring Report circulated to the Committee with the meeting agenda, he felt that having information presented in different seasons (monitoring occurs in March and September of each year) made it difficult to compare like seasons. Mr Trotter undertook to ask the specialist consultant to include additional graphs in the next report (September 2009) which examined March survey data and September survey data separately. The Committee could then discuss the merits of continuing this practice.

Surface Water pH – all sites were within the neutral range, exhibiting natural fluctuations.

Surface Water Electrical Conductivity (EC) – all sites generally low as to be expected under wet weather/higher flows. EC at SW2 Upstream showed the highest values.

Surface Water Total Suspended Solids (TSS) – TSS readings were slightly higher in February, consistent with recent wet weather/higher flows.

Dust Gauges – results for all sites (with the exception of sites D4 and D5 in March) were less than the EPA limit. Samples collected from sites D4 and D5 in March were observed to have been contaminated with a combination of bird droppings, insects, organics and a beetle.

Dust Gauges Annual Rolling Average – all sites have an annual rolling average less than the EPA limit.

High Volume (PM₁₀) Air Sampling – all results for both sites under the EPA limit.

High Volume (PM₁₀) Air Sampling Annual Rolling Average – for both monitoring sites, annual rolling averages were significantly less than the EPA limit.

Rainfall – rainfall in February and April in excess of historical monthly averages, with February being especially wet.

Blasting – 22 separate blasts occurred between 17 January and 27 April. No exceedances of ground vibration or overpressure limits.

Mine Progress (Mr Hutchings)

Persons have been observed on site recently without authorisation. It is essential for safety reasons that any member of the public who wants to come onto the mine property for any reason obtain prior approval.

There is currently a proposed merger of Gloucester Coal Limited (Duralie Coal Pty Ltd parent entity) with Whitehaven Coal Limited and an alternative proposed takeover of Gloucester Coal Limited by a major shareholder (Noble Group) in progress.

Mining activities have advanced approximately 200 metres to the north since the last CCC meeting. Wet weather over the last few months has slightly impacted the production schedule and delayed completion of out-of-pit rehabilitation works.

Temporary ablution facilities for females have been established on site. More permanent facilities will be incorporated into a consolidation of facilities currently being planned. Carparking alterations are also proposed.

Mining contactor contract negotiations are progressing.

Caterpillar XQ (“extra quiet”) 785 model trucks are on order and advice received is that truck building in the United States factory will commence in July. XQ trucks will partially replace the existing Caterpillar 789 trucking fleet. XQ trucks will be put into service when available at site (expected in late 2009).

Auxiliary Dam 1 construction is progressing. Dam construction completion is anticipated for the end of June (subject to weather conditions).

Proposed Development Consent Modifications (Mr Trotter)

Duralie Coal currently has three Development Consent modification applications in preparation. These are:

1. Part 3A (NSW Environmental Planning & Assessment Act, 1979 – EP&A Act) application.
2. Section 96(2) EP&A Act application.
3. Section 75W EP&A Act application.

1. Part 3A Application

This application will seek approval for continued mining at the Duralie site beyond that currently approved (early 2012). It is anticipated that this application will be made to the NSW Department of Planning (DoP) in November 2009. A Newsletter addressing the Part 3A application was provided to CCC members at the February 2009 meeting and the status of this project is consistent with that described in the Newsletter.

2. Section 96(2) Application

This application seeks approval to extend the approved mining footprint beyond the currently approved northern limit. The sought extension approval area is fully contained within the existing Mining Lease and located on Company (Duralie Coal Pty Ltd) owned land. If approved, the Duralie Coal Mine will not alter its existing approved rate of run of mine (ROM) coal production, will not mine additional coal over the life-of-mine or alter the currently approved nine year mine life. Also, any approval will not change current rail loading, number of train movements per day and hours of train movements. An approval will result in increased annual rate of overburden movement and consequently, the total overburden quantity to be mined over the life-of-mine. A Newsletter dealing with this application was provided to Committee members. The Newsletter outlines the public consultation process associated with the application.

A Statement of Environmental Effects (SEE) addressing the proposed extension has been prepared and recently lodged with the DoP. A copy of the SEE will be provided to Committee members.

3. Section 75W Application

This application will seek to expand the area available for mine water irrigation and to modify the existing "first flush" irrigation capture obligations to reduce the need to contain clean runoff from irrigation areas.

This application is currently being prepared. A copy of the environmental assessment in support of the application will be provided to Committee members. A Newsletter addressing this application has been provided to Committee members.

Soil and Water Testing

Mr Lanham asked whether external parties could take their own samples of water and/or soil for testing from the mine site. The Company advised that any such request should be made in writing.

Trial Discharge

Mr Tersteeg asked about the status of the proposed "trial discharge" of water from the mine to the local river. Mr Trotter advised that consideration of any discharge to the local river was to be considered within the Part 3A application.

Men's and Women's Sites

Mr Tersteeg advised the Committee about a recent meeting held in Stroud addressing this issue. Mr Trotter advised the Committee that the Company's involvement in this matter was limited to

written advice from the Federal Department of the Environment, Water, Heritage and the Arts (the "Department") informing the Company of an application under the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 having been received by the Department seeking protection of what is asserted to be a men's site and a women's site in the Duralie Coal Mine. The Department is currently assessing the application.

Advertisement in Local Papers 6 May 2009

An advertisement was placed in local papers in support of the pending Part 3A and Section 75W applications (discussed above). This advertisement addressed Aboriginal cultural and heritage impact assessment as part of these two applications.

Exploration Licence for Glen Road Area

Mr Handford advised the Committee that Great Lakes Council had received a request for oversighting of activities associated with exploration by Gloucester Coal under an Exploration Lease in the Glen Road area to come under the Duralie Coal Mine Community Consultative Committee. Mr Handford stated that the Council had rejected this request on the basis that the Committee was charged with overseeing the environmental performance of the Duralie Coal Mine only. The Council suggested that the requester could take up the issue of oversight with the NSW Government.

Community Funding

Mr Handford provided the Committee with a spreadsheet outlining expenditure of Company community contributions since 2005. A subcommittee which manages funding allocation is to meet on 28 May 2009 to consider the current round of funding allocation.

Mr Handford asked whether the Company would be prepared to offer additional funding, for worthy community projects, outside the Development Consent nominated amount. The Company undertook to consider this request. The Committee also resolved to draw from funds held in the Committee operating account to also contribute to additional community funding.

Train Noise

Ms Gillard raised the issue of responsibility for train noise. Mr Trotter advised that when trains (including the Duralie Coal Mine shuttle train) operated on the North Coast Railway Line (off Mining Lease) they were subject to an Environment Protection Licence (EPL) held by the Australian Rail Track Corporation (ARTC). When the shuttle train was on the Mine's siding (on Mining Lease) it was subject to the Company's EPL (EPL 11701).

Mr Hutchings advised the Committee that it was proposed that existing Duralie shuttle train locomotives would be changed out for quieter locomotives under a Part 3A approval.

Next Meeting

The next meeting of the Committee was scheduled for Thursday 6 August 2009 commencing at 10am.

The meeting closed at 1.30pm.



DURALIE COAL PTY LTD

ABN 81 070 318 259

NEWSLETTER

FOR DURALIE COAL MINE COMMUNITY CONSULTATIVE COMMITTEE

Background

Duralie Coal Pty Ltd (DCPL) is seeking approval from the NSW Minister for Planning to modify the existing Duralie Coal Mine (DCM) Development Consent (under Section 96(2) of the Environmental Planning & Assessment Act, 1979 – EP&A Act) in order to extend the open cut northwards to maximize total coal recovery. Key components of the modified DCM would be:

- No change to the currently approved rate of ROM coal production;
- No change to the currently approved total ROM coal to be mined over the life-of-mine;
- No change to the currently approved nine year life of the mine;
- Extension of the open pit to the north;
- An increase in the annual rate of overburden production and, consequently, the total overburden to be mined over the life of mine;
- Continuation of employment for the currently-employed 90 employees;
- No change to the current rail loading, number of train movements per day and the hours of train movements; and
- A change to the area of irrigation on DCPL-owned land on the Mining Lease.

The proposed modified open pit is within the original Development Application area and Mining Lease (ML) 1427 and is wholly located on land owned by DCPL (Figure 1).

Status of Approval Process

DCPL will apply to modify the Development Consent with the NSW Department of Planning (DoP) under Section 96(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This application will be accompanied by a Statement of Environmental Effects (SEE). The purpose of the SEE is to assess the proposed modification of the existing DCM.

It is anticipated that the DoP will place the SEE on public exhibition. DCPL will also provide a copy of the SEE to Community Consultative Committee members. Local residents and other interested members of the public will be invited to review the SEE during the public exhibition period. If members of the public would like to make a submission for consideration during the DoP assessment of the proposal, they will have the opportunity to do so.

Following the public exhibition period, DoP will consider submissions from the public and regulatory authorities before coming to a decision as to whether the proposal will be approved. If approved, DoP may also apply specific conditions that they consider are required to regulate or monitor the modification.

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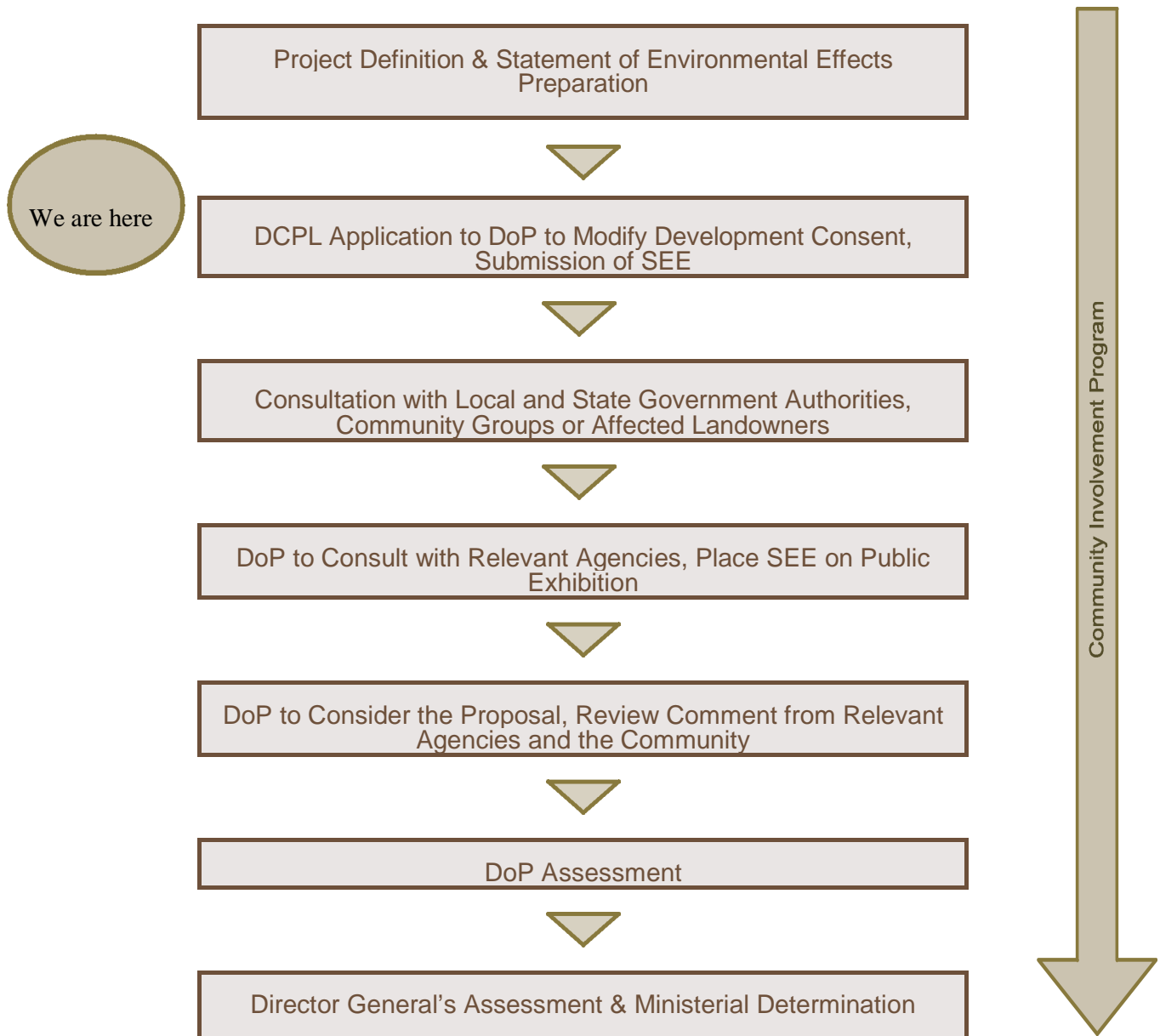
Enquiries
Phone: (02) 4994 0121

Integration with Other Development Planning

The proposed modification will enable maintenance of ROM coal production rates at the DCM. In addition to this modification application, an application under Part 3A of the EP&A Act for a 12 year extension of the DCM mine life and mining of areas to the north and west of the currently approved DCM has been made. Director-General's Requirements for this application were issued on the 28 December 2008 and will be subject to a separate public exhibition and approval process under Part 3A of the EP&A Act. The Environmental Assessment to accompany this application is expected to be exhibited in the first quarter of 2010.

Proposed Section 96(2) (EP&A Act) Development Consent Modification

Consultation and Approval Process





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NEWSLETTER

FOR DURALIE COAL MINE COMMUNITY CONSULTATIVE COMMITTEE

Background

Duralie Coal Pty Ltd (DCPL) is seeking approval from the NSW Minister for Planning to modify the existing Duralie Coal Mine (DCM) Development Consent (under Section 75 of the Environmental Planning & Assessment Act, 1979 – EP&A Act) in order to:

- Expand the area available for mine water irrigation; and
- Modify existing “first flush” capture obligations to reduce the need to contain clean runoff from irrigation areas.

Status of Approval Process

Director-General's Assessment Requirements for the proposal were received from the NSW Department of Planning in January 2009. The current status of the approval process is shown on the following page.

The key issues for the Environmental Assessment (EA) are considered to be as follows:-

- Surface and Groundwater
- Soil
- Flora and Fauna
- Heritage
- Rehabilitation

Note that consideration of possible discharge of water from the mine site to Mammy Johnsons River will be considered in the Part 3A application (EP&A Act) currently being prepared by DCPL.

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Proposed Section 75 (EP&A Act) Development Consent Modification

Consultation and Approval Process

