



Welcome to the first newsletter on the Ellensfield Coal Management Pty Ltd (ECM) Ellensfield Coal Mine Project (ECMP), which provides information about a proposed underground longwall mine in the Bowen Basin coal field in Central Queensland. A number of newsletters will be produced and distributed to stakeholders over the coming six to twelve months to keep you up-to-date with what's happening on the project.

Why did I get this newsletter?

As a local landowner or stakeholder it is important that you have the opportunity to provide input into the project planning process. To do this effectively you should have a clear understanding of what is proposed and how you can most effectively contribute. This newsletter and subsequent editions will help you gain an appreciation of what the project involves from a planning, construction and operational perspective and how you can become involved by attendance at consultation meetings and public displays or through submissions to the project team. Every stakeholder will be given the opportunity to comment on the project and the team will provide a response to all queries/comments submitted.

About Ellensfield Coal Management Pty Ltd (ECM)

The proposed Mining Lease Application areas cover portions of four current coal exploration areas (EPC's) all fully owned by CVRD Australia Pty Ltd.

CVRD (Companhia Vale do Rio Doce) is established as a global diversified mining company. It was incorporated in 1942 and headquartered in Brazil and is active in more than 20 countries in all five continents, with around 50,000 employees. CVRD supplies the global market with products used daily by millions of people around the world.

CVRD Australia has recently adopted a strategic target of developing a portfolio of world-class operations in Australia. They have attracted an extremely experienced management team with substantial expertise in the development and operation of large-scale underground mines in the Bowen Basin.

What is the Project?

ECMP is located within the northern region of the Bowen Basin, approximately 175km west of the major regional coastal city of Mackay. The site lies on the northern side of the Peak Downs Highway approximately midway between the local towns of Coppabella, Glenden and Moranbah.

The project will involve the development of a conventional underground longwall mine. The proposed activities will comprise the following components:

- ▶ **Underground mine** – The underground mine will be formed by developing a series of tunnels, or roadways, in the coal seam which serve to “block out” large blocks of coal (termed “panels”). Each panel is then extracted using conventional longwall equipment. The underground mine may be accessed from a small open cut mine.
- ▶ **Coal Processing and Handling Facilities** – There will be a coal handling and preparation plant (CHPP) constructed. The coal handling system will transport coal from the underground, through a CHPP onto product stockpiles and finally into a discharge point where the product coal will be transported from site by either rail or truck. The CHPP will be used to wash the coal separating the product coal from the rejects which will be placed in designated emplacement areas adjacent to the CHPP.
- ▶ **Transport Activities** - Access to the mine will be via an extension to the existing access road servicing the Broadlea and Carborough Downs mines to the South. A purpose-built access road will be specifically constructed for this. Coal will be transported from site by rail from a dedicated rail loop to port. A secondary option of transport via a private road on dedicated road trains to an alternative rail loop will also be investigated.



Location Map

- ▶ **Support Activities** – Support activities will likely include the following infrastructure; gas turbine generating plant (for conversion of seam gas to electricity), access roads, power supply lines, raw water pipelines, mine water storage dams, mine services boreholes, mine dewatering boreholes, and mine rejects disposal area.

The proposed project will occur over a total area of approximately 3,430ha of which the majority will be underground operations. The area of surface disturbance associated with the underground activities is anticipated to be approximately 700ha.

Project Benefits

This project will deliver a number of community benefits including provision of additional coal resources and employment opportunities. It is estimated that the project will create employment for an additional 300 persons during the development stages and an additional 250 full-time positions, and 30 part-time contracts throughout the mine’s operational life. This will in turn generate additional income in the community from flow-on value added activities. The coal mine activities will also provide the opportunity for improving employee skill base.

The Environmental Impact Study and Approvals Process

As the ECMP is proposed on a greenfield site with no existing mining leases, a comprehensive environmental approvals process is being undertaken. This process is expected to take approximately 18 months to complete and will include consultation with a wide cross section of individuals, businesses, Commonwealth and State Government Departments, Local Authorities and non government organisations. The Responsible Authority for this project is the Queensland Environmental Protection Agency (EPA). This means that the EPA will be responsible for managing the project’s environmental impact assessment process. In addition, the Commonwealth Department of Environment and Water Resources (DEWR) have declared that the project is a controlled action under the Federal Environmental Protection and Biodiversity Conservation Act (EPBC), and therefore DEWR approval will be required.

Figure 1 provides an overview of the environmental approvals process that will be undertaken.

To initiate the impact assessment process ECM has submitted both an Initial Advice Statement (IAS) to the EPA and an EPBC Referral to the

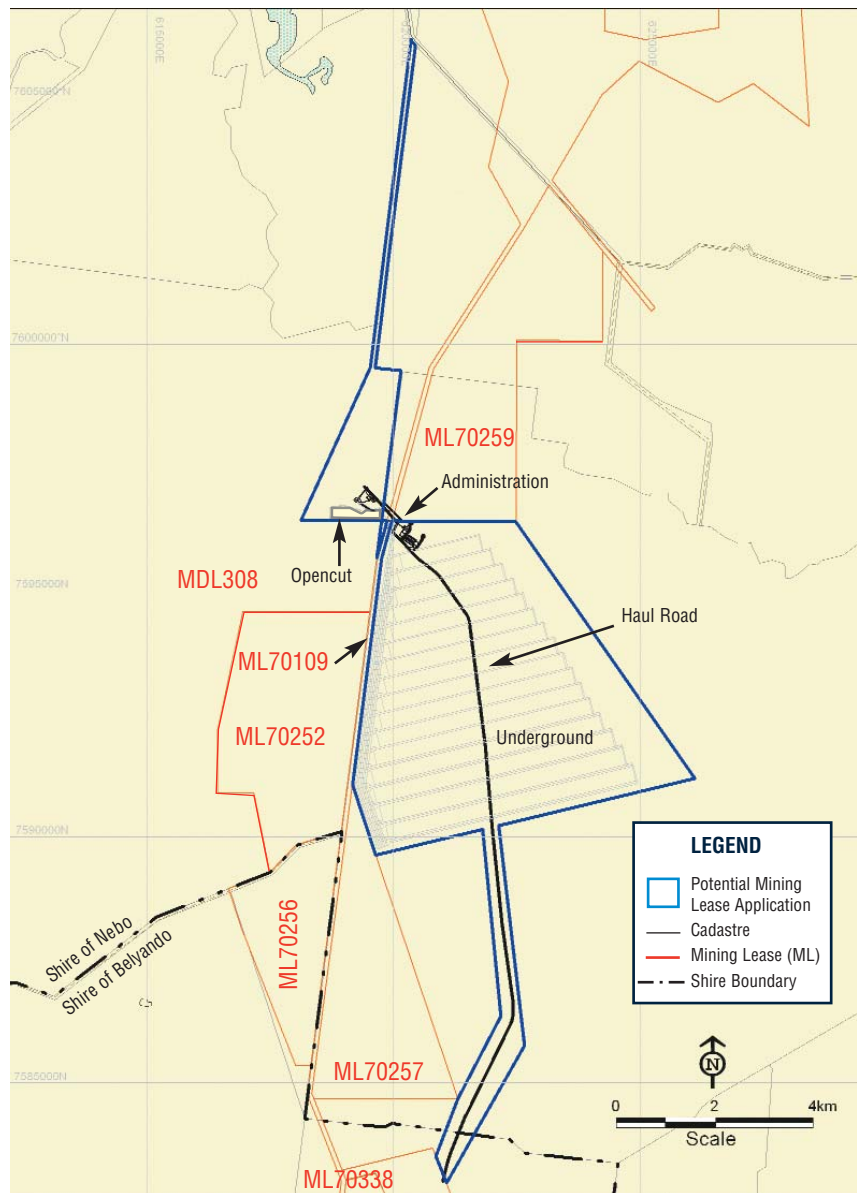
DEH. These documents summarise the proposed project and its potential environmental and social impacts. Copies of the Initial Advice Statement (IAS) can be viewed on the EPA website: www.epa.qld.gov.au and click on the Public Notices quick link. Copies of the EPBC Referral can be viewed on the DEWR's website: <http://www.environment.gov.au/epbc/notices/index.html>.

The draft Terms of Reference (ToR) which outline the issues that the project's environmental impact statement must address, are also available on the EPA website. All members of the public are invited to comment on the draft ToR. Written comments can be submitted by (9 November 2007) to the Environmental Protection Agency at the following address:

**The Chief Executive
Environmental Protection Agency
Attention: The EIS Co-ordinator
(Ellensfield Coal Mine Project)
PO Box 15155
BRISBANE CITY EAST QLD 4002**

During the finalisation of the ToR for the project the field work and baseline investigations will commence. Following finalisation of the ToR the impact assessment studies associated with preparation of the Environmental Impact Statement (EIS) will be undertaken. During this period there will be further opportunities for community consultation.

The findings of these studies will be summarised into a draft EIS, which will be completed by May 2008. A period of government and public review will then follow. Upon completion of this review process the EIS will be finalised and an

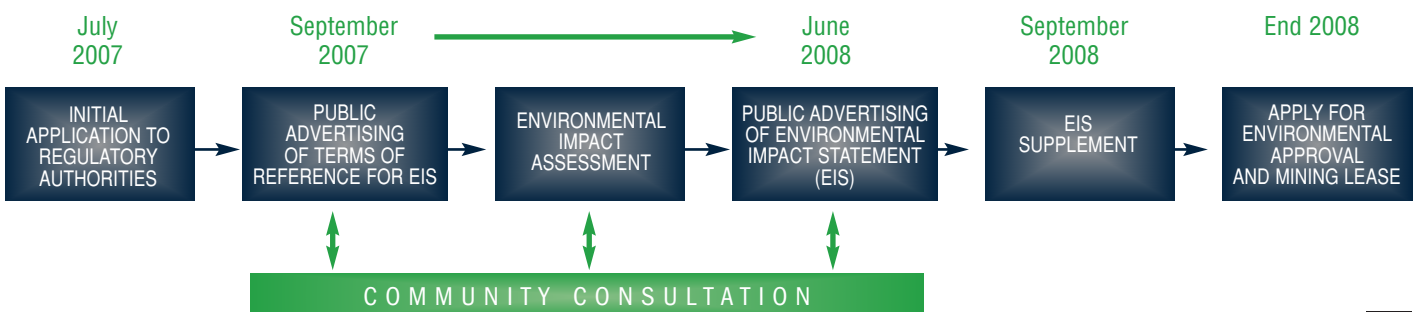


Preferred mine layout plan.

application will be lodged with the EPA for an Environmental Authority to permit the proposed mining operations to be undertaken. Parallel applications will also be lodged with the Queensland Department of Natural Resources

and Mines for issue of mining leases. Approvals under the Queensland Vegetation Management Act, Nature Conservation Act, Water Resources Act and Aboriginal Cultural Heritage Act may also be required.

Figure 1. Environmental Approvals Process Overview.



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Community and Stakeholder Consultation

Community and stakeholder consultation forms a major component of the impact assessment and approvals process. A comprehensive consultation process is essential to the success and long-term viability of the project. The project team will be basing this consultation process on the guiding principles of proactive information sharing and relationship building with all interested and affected parties. The consultation process is designed to provide:

- ▶ a two-way flow of information;
- ▶ stakeholders with the opportunity to express their views about the project;
- ▶ stakeholder involvement in the Environmental Impact Assessment process;
- ▶ valuable local knowledge from the community; and
- ▶ a process whereby the community is kept up-to-date with the project.

The overall objective of the consultation process is to ensure clear, transparent, two-way communication by listening, recording and responding to issues as they arise.

The community is invited to become involved in the impact assessment process via a number of means. These include registering on the stakeholder database by contacting us as outlined below and leaving your contact details or returning the enclosed feedback form to the study team. All registered stakeholders will be kept up to date and be involved in the community consultation process throughout the study.

Meetings will be held with government agencies and special interest groups as required during the impact assessment process. The first set of meetings will be to introduce the project and discuss the Initial Advice Statement. The second set of meetings will focus on discussing the more detailed environmental impact studies and obtaining feedback on specific issues associated with the project. Please advise the study team if you represent a special interest group and/or would like to be involved in the meetings. Please provide details of the group you represent including any specific environmental and/or social areas of interest.

A newsletter providing outcomes of the environmental impact study will be distributed to everyone registered on the stakeholder database.

Feedback

The enclosed form is provided for you to comment, ask questions or be kept informed of the study process. Please complete the form and send it postage paid to the study team at the following address:

Ellensfield EIS
GPO Box 302, Brisbane, Queensland 4001

Alternatively you can contact the study team at:



Freecall 1800 041 253



Email ellensfieldeis@urscorp.com



Facsimile 07 3243 2199 (Attn: ECMP Study Team)