

ENVIRONMENTAL ASSESSMENT

Duralie Extension Project

ATTACHMENT 4 COMMUNITY INFORMATION



GLOUCESTER
COAL



ResourceStrategies



DURALIE EXTENSION PROJECT

COMMUNITY INFORMATION PAPER – OCTOBER 2009

THE APPROVAL PROCESS

Approval for the Project will be sought under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act). In accordance with Section 75D(1) of the EP&A Act, the Minister for Planning is the approval authority for the Project.

Gloucester Coal has submitted a Project Application and supporting Project Description and Preliminary Assessment Report to the Department of Planning.

An Environmental Assessment (EA) is being prepared by recognised experts to determine the environmental, social and economic effects of the Project, in accordance with the Environmental Assessment Requirements (EARs) issued by the Director-General of the Department of Planning.

Gloucester Coal expects to complete the EA in the near future and that it will be lodged with the Department of Planning. After the EA has been accepted by the Department it will be placed on exhibition for public review and submissions. It is expected that the EA will be on public exhibition for one month during the first quarter of 2010.

COMMUNITY CONSULTATION – HOW TO OBTAIN MORE INFORMATION

To date the Company has consulted with a number of key stakeholders in relation to the Project. Further information about this and other elements of the Duralie Coal Mine operations will become available via the Gloucester Coal Ltd website www.gloucestercoal.com.au

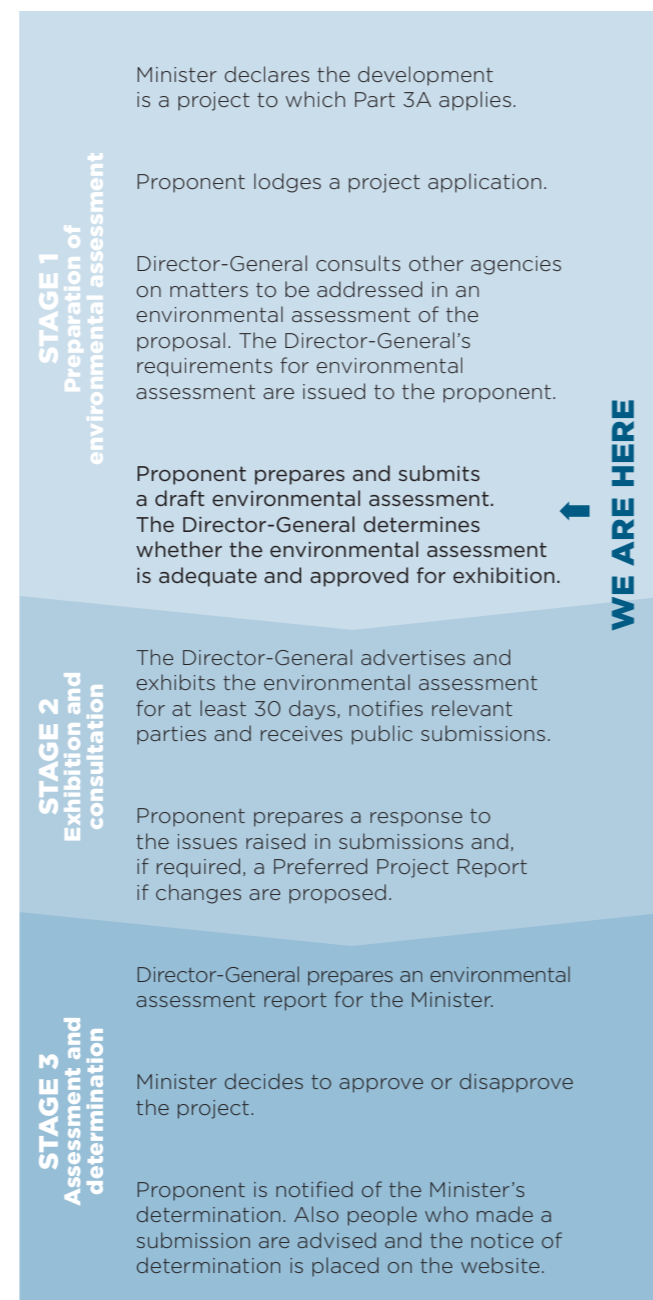
The Department of Planning will advertise the public exhibition of the EA and provide details of who to contact and how to provide a submission.

If you would like to know more about the Project, a copy of the Project Application - including the Project Description and Preliminary Assessment Report is publicly available on the Department's website (<http://www.planning.nsw.gov.au>) under "Major Project Assessments – Register of Major Projects".

You can also contact Tony Dwyer (Gloucester Coal Manager – Approvals and Environment) for more information regarding the Project (02) 6538 4222.

MAJOR PROJECT ASSESSMENT – TYPICAL STEPS

Under Part 3A of the *Environmental Planning and Assessment Act 1979*.



At any stage, the Minister may convene a Planning Assessment Commission (PAC) in relation to any aspect of the project. The PAC may call for written submissions and/or arrange a public hearing.

GLOUCESTER COAL LIMITED

Gloucester Coal owns the Duralie Coal Mine and Stratford Coal Mine located 35 km and 20 km respectively south of Gloucester township.

Gloucester Coal has a 15 year operational history with a strong environmental record of water management, early restoration and operating safety. Together the mines at Stratford and Duralie have directly created more than 200 local jobs annually, and indirectly hundreds of additional jobs are supported through the use of local contractors and service providers.

Gloucester Coal is committed to responsible environmental management and continued productive co-existence with agricultural and tourism enterprises in the region. Gloucester Coal's development focus is on the existing Duralie and Stratford Coal Mines and this is reflected in our exploration programme which is not conducted anywhere near the township of Gloucester. Nor does Gloucester Coal intend to conduct exploration activities anywhere near Gloucester township in the future.



Duralie irrigation cropping.

DURALIE EXTENSION PROJECT

The Duralie Extension Project proposes the extension of open cut mining operations in areas immediately adjacent to the current operation and within lands owned by the company.

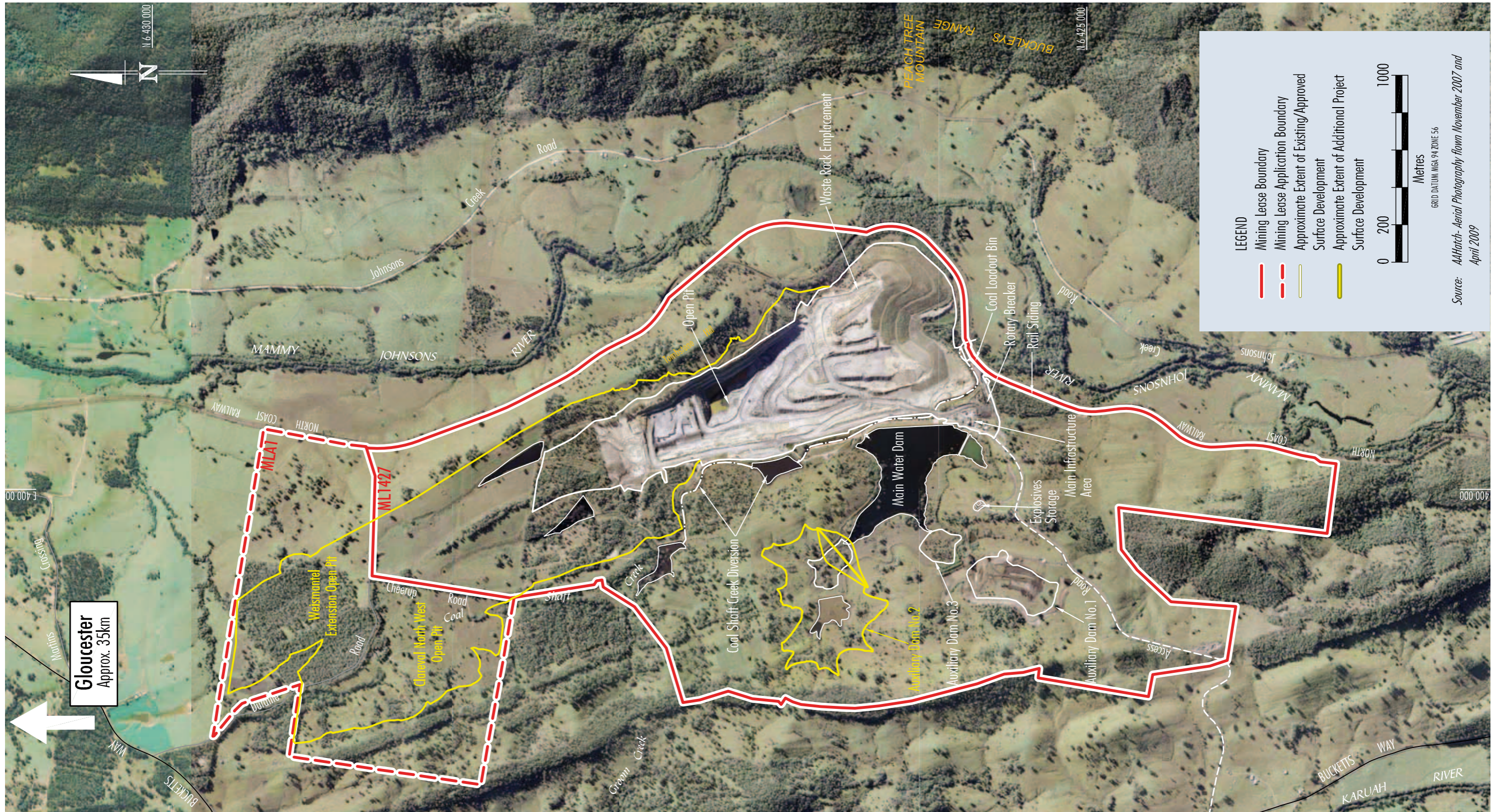
The Duralie Extension Project (the Project) will secure the future of the mine, providing job security for mine employees and contractors. It will also continue our contribution to the regional economy and local community.

The area of proposed open cut mining is situated to the north-west of the current operations (see map overleaf). Components of the Project would include:

- An increase in the overall mine life of Duralie Coal Mine of 9 years.
- An increase in the rate of coal mining from 1.8 million tonnes per annum (Mtpa) up to approximately 3 Mtpa, providing future employment for up to 135 employees.
- An increase in the rail transport of coal on the North Coast Railway from Duralie Coal Mine to Stratford Coal Mine (including an extension of operating hours from 10pm to 2am).
- No change is proposed to the Duralie Coal Mine's policy of 'no water release' to downstream water courses.
- All mine water would continue to be managed on site, by storage and irrigation. Specifically designated areas and rehabilitation areas would be irrigated within the Project's mining leases.
- Construction of additional onsite water storage capacity to store water prior to use for irrigation.
- Upgrade of existing surface facilities and supporting infrastructure. Augmentation of the mine's plant and equipment fleet.
- Progressive rehabilitation of mine landforms to a mix of open woodland and grazing land in accordance with approved Project rehabilitation plans and strategies.

DURALIE EXTENSION PROJECT

FIGURE 1



THE APPROVAL PROCESS

If approved by the NSW Minister for Planning, the Project will provide for an increase in the overall mine life of the Duralie Coal Mine of approximately nine years. The Project will secure the future of the mine, providing job security for mine employees and contractors, and is likely to result in an average annual stimulus of approximately 166 direct and indirect jobs in the local region and some 1,000 direct and indirect jobs in NSW. It will also continue Gloucester Coal's contribution to the regional economy and local community, with total royalties to the state of NSW in the order of \$157 million over the life of the Project.

Approval for the Project will be sought under Part 3A of the Environmental Planning and Assessment Act, 1979 (EP&A Act). In accordance with Section 75D(1) of the EP&A Act, the Minister for Planning is the approval authority for the Project.

Gloucester Coal has submitted a Project Application and supporting Project Description and Preliminary Assessment Report to the Department of Planning.

An Environmental Assessment (EA) is being prepared by recognised experts to determine the environmental, social and economic effects of the Project, in accordance with the Environmental Assessment Requirements issued by the Director-General of the Department of Planning.

Duralie Coal expects to complete and lodge the EA with the Department of Planning in the very near future. After the EA has been accepted by the Department it will be placed on exhibition for public review and submissions. It is expected that the EA would be placed on public exhibition during the first quarter of 2010.

THE CONSULTATION PROCESS - HOW TO OBTAIN MORE INFORMATION

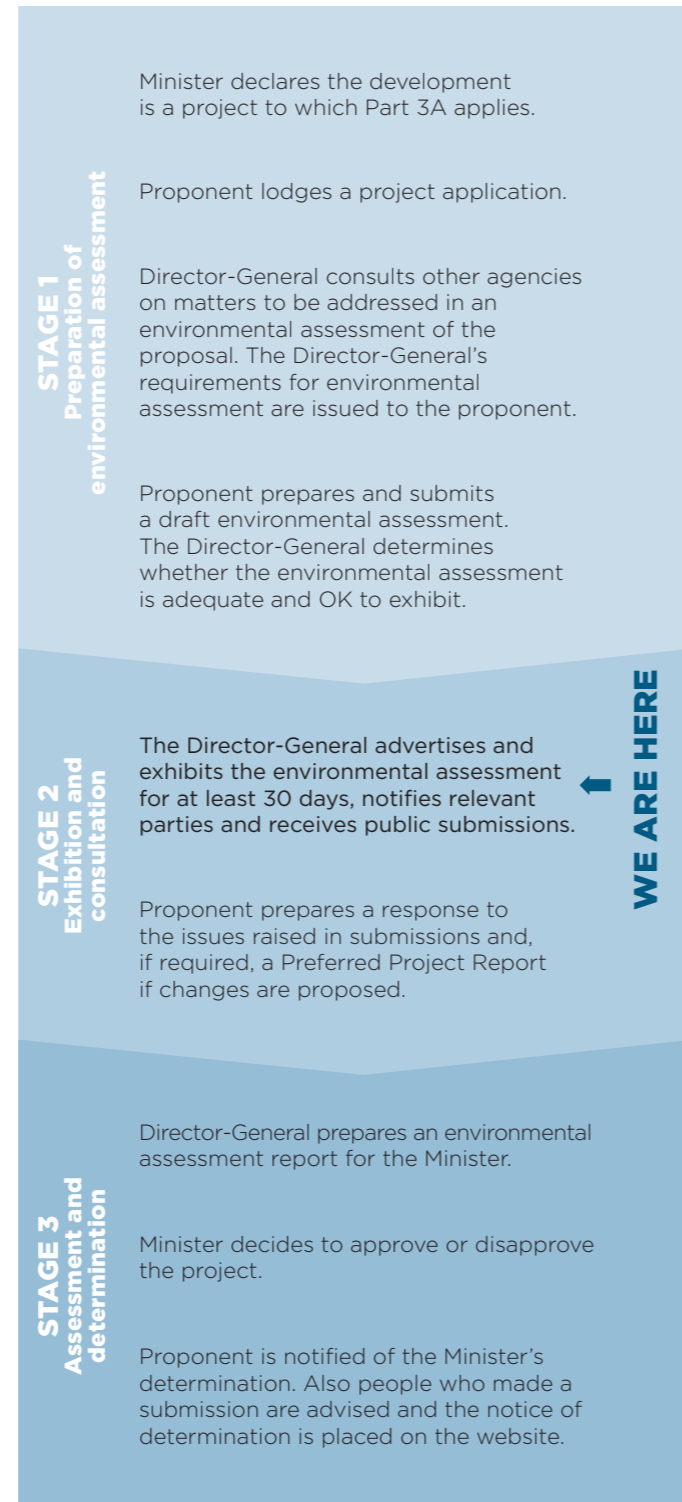
To date the Company has consulted with a number of key stakeholders in relation to the Project. Further information about this and other elements of the Duralie Coal Mine operations will become available via the Gloucester Coal Ltd website www.gloucestercoal.com.au

The Department of Planning will advertise the public exhibition of the EA, which will include details of who to contact and how to provide a submission. If you would like further information about the Project, then a copy of the Project Application - including the Project Description and Preliminary Assessment Report will be available on the Department's website (<http://www.planning.nsw.gov.au>) under "Major Project Assessments - Register of Major Projects".

You may also contact Mr. Tony Dwyer (Gloucester Coal Manager - Approvals and Environment) for more information regarding the Project (02 6538 4222).

MAJOR PROJECT ASSESSMENT - TYPICAL STEPS

Under Part 3A of the *Environmental Planning and Assessment Act 1979*.



At any stage, the Minister may convene a Planning Assessment Commission (PAC) in relation to any aspect of the project. The PAC may call for written submissions and/or arrange a public hearing.



DURALIE EXTENSION PROJECT

COMMUNITY INFORMATION PAPER - NOVEMBER 2009



Photograph of Existing Duralie Coal Mine Rehabilitation.

GLOUCESTER COAL LIMITED

Gloucester Coal owns the Duralie Coal Mine and Stratford Coal Mine located 35 km and 20 km respectively south of Gloucester township.

Gloucester Coal has a more than 15 year operational history with a strong environmental management record, including water management, early rehabilitation and operating safety. Together the mines at Stratford and Duralie have directly created more than 200 local jobs, and indirectly hundreds of additional jobs are supported through the use of local contractors and service providers.

Gloucester Coal is committed to continued responsible environmental management and productive co-existence with agricultural and tourism enterprises in the region. Gloucester Coal's development focus is on the existing Duralie and Stratford Coal Mines and this is reflected in our exploration program which is not conducted anywhere near the township of Gloucester. Nor does Gloucester Coal intend to conduct exploration activities anywhere near Gloucester township in the future.

DURALIE EXTENSION PROJECT

In the October 2009 Community Information Paper, it was explained that the Duralie Extension Project (the Project) proposes the extension of open cut mining operations in areas immediately adjacent to the current operation of the Duralie Coal Mine and within lands owned by the company.

This Information Paper focuses on some of the key initiatives proposed for the Duralie Extension Project to maintain Gloucester Coal's commitments to responsible environmental management and continued productive co-existence with agricultural and tourism enterprises in the region. The key initiatives discussed in this Paper include the beneficial use of mine water via irrigation, Project site rehabilitation and the establishment of a biodiversity offset area.

IRRIGATION

Irrigation of stored excess water for agriculture and land restoration is a key component of the Duralie Coal Mine. Water from groundwater and rainfall in mining areas is collected in the mine water management system and used for irrigation within the existing Mining Lease. Irrigation is used on a mixture of pasture, woodland and cropping areas and is also used to assist with the establishment of revegetation areas. Irrigation infrastructure includes travelling irrigators, fixed sprays, pumps, pipelines and an array of measuring and monitoring equipment.

Irrigation areas include areas within and outside of the site water management system. After rainfall, runoff from areas within the site water management system is captured and contained in site dams. Runoff from areas outside of the system is subject to the "First Flush" protocol as part of the Duralie Coal Mine's policy of 'no water release' to downstream water courses.



Duralie irrigation cropping.



Example of Stratford Coal Mine Rehabilitation – grazing and woodland on a rehabilitated waste rock emplacement.



Example of Stratford Coal Mine Rehabilitation – woodland on a rehabilitated waste rock emplacement.

First Flush Protocol

The Duralie Coal Mine Irrigation Management Plan includes a “First Flush” protocol to minimise any effects of irrigation activities on the Mammy Johnsons River. The First Flush protocol is designed to collect initial (or “First Flush”) rainfall runoff from irrigation areas outside of the water management system following prolonged dry spells when this runoff could be expected to contain some salt loads.

Irrigation for the Project

Under the Duralie Extension Project irrigation areas will be expanded within the Mining Lease as well as the Mining Lease Application area. The existing irrigation management measures would continue to apply for the Project, including the First Flush protocol.

REHABILITATION OF THE DURALIE COAL MINE

Rehabilitation is a key component of Gloucester Coal operations and the Project. Mine disturbance including waste rock emplacement areas will be rehabilitated to a combination of woodland and grazing areas.

Rehabilitation to date at the Duralie Coal Mine has focussed on a completed portion of the waste rock emplacement. Approximately 16 ha of the waste rock emplacement has been rehabilitated. In addition, Gloucester Coal has planted vegetation screens at strategic locations to assist with the screening of mine landforms and infrastructure.

The revegetation objective for the Project is to provide areas of woodland and pasture on the waste rock emplacement. The woodland will be linked to a broader habitat enhancement (offset) strategy as discussed below. In addition, trees will be planted around the perimeter of the reprofiled waste rock emplacement to screen the Project.

Rehabilitation at the Stratford Coal Mine (also owned by Gloucester Coal) commenced in 1995 and demonstrates Gloucester Coal’s record of operating ‘model mines’ with the highest standards of safety, environmental management and early restoration of land.

Rehabilitation at the Stratford Coal Mine is more advanced than that conducted to date at the Duralie Coal Mine and provides a relevant performance benchmark for the Project’s rehabilitation.

PROJECT OFFSET STRATEGY

Duralie Coal proposes a biodiversity offset area which is located on freehold land owned by Gloucester Coal to the south and east of the Project area. The offset area will be integrated with Project rehabilitation to provide extensive wildlife corridors. The integration of the offset area with Project rehabilitation areas is shown on the photo-simulation overleaf. Gloucester Coal currently utilises the proposed offset area land for pastoral purposes.

The offset includes significant areas of existing native vegetation communities that will be enhanced (some 214 hectares [ha]) and areas of grasslands that will be revegetated (some 230 ha).

The proposed offset areas would be secured in perpetuity for conservation purposes.

DURALIE EXTENSION PROJECT FIGURE 1

