



Mr Dan Buckley
Operations Director
Gloucester Coal Pty Ltd
PO Box 168
GLOUCESTER NSW 2422

Our Ref: 04-1723
Contact: Gary Walker
Telephone: (02) 65 724200

Dear Sir

MINING LEASE APPLICATION NO 247

The Minister on 1 March 2006 granted Mining Lease No 1577 (Act 1992) in satisfaction of this application. The lease is enclosed for your records.

You are reminded of the following:

- ◆ Mining operations must be conducted in accordance with a Mining Operations Plan satisfactory to the Director-General. This plan must be lodged before operations commence.
- ◆ Before operations commence you must also negotiate an agreement regarding compensation with any affected landholder or have compensation assessed by the Warden.
- ◆ Notification of the grant of the lease must be served on each affected landholder not later than 3 months from the date of grant.

Authorisation 315 (Act 1973) has now ceased to exist over the land of this mining lease.

As directed by the Minister, the land subject of this lease has been recorded in the Colliery Holding Register as part of Stratford Colliery Holding.

If you have any queries, please contact me.

Yours faithfully

Gary Walker
for Director General

20 March 2006

MINERALS - TITLES

PO BOX 51
SINGLETON NSW 2330

ABN 51 734 124 190
gary.walker@dpi.nsw.gov.au
Tel: 02 6572 4200
Fax: 02 6572 1201

Office of State Revenue NSW Treasury	
Client No: 1846988	2372
Duty: N/A	Trans No: ML 1577
Asst details: COAL	(1)

MINING LEASE

MINING ACT 1992

NO 1577

DATED 01 March 2006

THE MINISTER FOR MINERAL
RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

GLOUCESTER COAL LTD
ACN 008 881 712
and
CIM STRATFORD PTY LTD
ACN 070 387 914

MINING ACT 1992

MINING LEASE

THIS DEED made the first day of March Two thousand and six in pursuance of the provisions of the Mining Act 1992 (hereinafter called "the Act") BETWEEN **IAN MACDONALD, MLC, MINISTER FOR MINERAL RESOURCES** of the State of New South Wales (hereinafter called "the Minister" which expression shall where the context admits or requires include the successors in office of the Minister and the person acting as such Minister for the time being) AND **Gloucester Coal Ltd (ACN 008 881 712) and CIM Stratford Pty Ltd (ACN 070 387 914)** (which with its successors and transferees is hereinafter called "the lease holder") of **Level 9, Citadel Towers, 799 Pacific Highway, Chatswood NSW 2067.**

WHEREAS

- (a) in conformity with the Act application was made for a mining lease over the lands hereinafter described; and
- (b) all conditions and things required to be done and performed before granting a mining lease under the Act have been done and performed NOW THIS DEED WITNESSETH that in consideration of the observance and performance of the covenants contained in this Deed and the payment of royalty by the lease holder, the Minister in pursuance of the provisions of the Act DOES HEREBY demise and lease to the lease holder ALL THAT piece or parcel of land containing by admeasurement **2.2** hectares as shown on Plan No. **M27053**, more particularly described and delineated in the plan attached for the purpose of prospecting and mining for coal.

TO HOLD the said land together with any appurtenances thereon subject to:

- (a) such rights and interests as may be lawfully subsisting therein or which may be reserved by the Act at the date of this Deed; and
 - (b) such conditions, provisos and stipulations as are contained in this Deed UNTO the lease holder from and including the date of this Deed for the period of **twenty one** years for the purpose as stated and for no other purpose.
1. THAT in this lease except insofar as the context otherwise indicates or requires:

- (a) any reference to an Act includes that Act and any Act amending or in substitution for the same; "Director-General" means the person for the time being holding office or acting as Director-General, Department of Primary Industries; the word "mine" has the meaning assigned to it by the Act; words importing the singular number shall include the plural, the masculine gender the feminine or neuter gender and vice versa; and
 - (b) any covenant on the part of two or more persons shall be deemed to bind them jointly and severally.
2. THAT the lease holder shall during the said term pay to the Minister in Sydney in respect of all such minerals as stated, recovered from the land hereby demised, royalty at the rate or rates prescribed by the Act and the Regulations thereunder at the time the minerals are recovered, or at the rate or rates fixed by the Minister from time to time during the term of this demise in exercise of the power in that behalf conferred upon him by the Act.
3. THAT the lease holder shall at all times during the term of this lease keep and preserve the said mine from all avoidable injury or damage and also the levels, drifts, shafts, watercourses, roadways, works, erections and fixtures therein and thereon in good repair and condition and in such state and condition shall on the expiration or sooner determination of the said term or any renewal thereof deliver possession of the land and the premises hereby demised to the Minister or other persons authorised to receive possession thereof.
4. THAT the conditions and provisions set forth in the Schedule of Mining Lease Conditions 2004 herein and numbered: **1 to 21 inclusive, 23, 24 & 26** are embodied and incorporated within this Deed as conditions and provisions of the lease hereby granted AND that the lease holder shall observe fulfil and perform the same. Condition Nos 4, and 13 to 21 inclusive are identified as conditions relating to environmental management for the purposes of Sections 125(3) and 374A of the Mining Act 1992.

PROVIDED always and it is hereby declared as follows:

- (a) THAT this lease is granted subject to amendment as provided under Section 79 of the Act.
- (b) THAT if the lease holder at any time during the term of this demise -
 - (i) fails to fulfil or contravenes the covenants and conditions herein contained; or
 - (ii) fails to comply with any provision of the Act or the Regulations with which the lease holder is required to comply; or

- (iii) fails to comply with the requirements of any agreement or assessment in relation to the payment of compensation,


this lease may be cancelled by the Minister by instrument in writing and the cancellation shall have effect from and including the date on which notice of the cancellation is served on the lease holder or on such later date as is specified in the notice; and any liability incurred by the lease holder before the cancellation took effect shall not be affected.


- (c) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.
- (d) THAT all the conditions and provisions contained in the Mining Act 1992 and the Regulations thereunder, the Mines Inspection Act 1901 and the Coal Mines Regulation Act 1982 or any other law hereafter to be passed or prescribed shall be incorporated within this Deed as conditions and provisions of the lease granted. The lease holder hereby covenants to observe, fulfil and perform the same.
- (e) THAT such of the provisions and conditions declared and contained in this Deed as requiring anything to be done or not to be done by the lease holder, shall be read and construed as covenants by the lease holder with the Minister which are to be observed and performed.

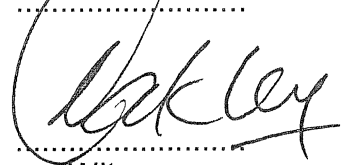
IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first abovewritten.

SIGNED AND DELIVERED
BY

Gloucester Coal Ltd
ACN 008 881 712


DANIEL J BUCKLEY (DIRECTOR)



BARRY R TUDOR - SECRETARY



.....

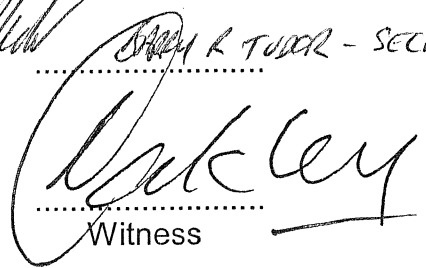
Witness

in the presence of

CIM Stratford Pty Ltd
ACN 070 387 914


DANIEL J BUCKLEY (DIRECTOR)


BARRY R TUDOR - SECRETARY


.....


Witness

in the presence of

SIGNED AND DELIVERED
BY


.....

in the presence of


.....
Witness

CONDITIONS OF AUTHORITY (ML) (2004)

Notice to Landholders

1. Within a period of three months from the date of grant/renewal of this lease or within such further time as the Minister may allow, the lease holder must serve on each landholder of the land a notice in writing indicating that this lease has been granted/renewed and whether the lease includes the surface. An adequate plan and description of the lease area must accompany the notice.

If there are ten or more landholders affected, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this lease has been granted/renewed; state whether the lease includes the surface and must contain an adequate plan and description of the lease area.

Mining, Rehabilitation, Environmental Management Process (MREMP)

Mining Operations Plan (MOP)

2. (1) Mining operations, including mining purposes, must be conducted in accordance with a Mining Operations Plan (the Plan) satisfactory to the Director-General. The Plan together with environmental conditions of development consent and other approvals will form the basis for:-
 - (a) ongoing mining operations and environmental management; and
 - (b) ongoing monitoring of the project.
- (2) The Plan must be prepared in accordance with the Director-General's guidelines current at the time of lodgement.
- (3) A Plan must be lodged with the Director-General:-
 - (a) prior to the commencement of mining operations (including mining purposes);
 - (b) subsequently as appropriate prior to the expiry of any current Plan; and
 - (c) in accordance with any direction issued by the Director-General.
- (4) The Plan must present a schedule of proposed mine development for a period of up to seven (7) years and contain diagrams and documentation which identify:-
 - (a) area(s) proposed to be disturbed under the Plan;
 - (b) mining and rehabilitation method(s) to be used and their sequence;
 - (c) areas to be used for disposal of tailings/waste;
 - (d) existing and proposed surface infrastructure;
 - (e) existing flora and fauna on the site;
 - (f) progressive rehabilitation schedules;

- (4) The lease holder shall, as and when directed by the Minister, co-operate with the Director-General to conduct and facilitate review of the AEMR involving other government agencies and the local council.

Subsidence Management

4. (a) The lease holder shall prepare a Subsidence Management Plan prior to commencing any underground mining operations which will potentially lead to subsidence of the land surface.
- (b) Underground mining operations which will potentially lead to subsidence include secondary extraction panels such as longwalls or miniwalls, associated first workings (gateroads, installation roads and associated main headings, etc), and pillar extractions, and are otherwise defined by the *Guideline for Applications for Subsidence Management Approvals*.
- (c) The lease holder must not commence or undertake underground mining operations that will potentially lead to subsidence other than in accordance with a Subsidence Management Plan approved by the Director-General, an approval under the *Coal Mines Regulation Act 1982*, or the document *New Subsidence Management Plan Approval Process – Transitional Provisions*.
- (d) Subsidence Management Plans are to be prepared in accordance with the *Guideline for Applications for Subsidence Management Approvals*.
- (e) Subsidence Management Plans as approved shall form part of the Mining Operations Plan required under Condition 2 and will be subject to the Annual Environmental Management Report process as set out under Condition 3. The SMP is also subject to the requirements for subsidence monitoring and reporting set out in the document *New Approval Process for Management of Coal Mining Subsidence - Policy*.

Working Requirement

5. The lease holder must:
- (a) ensure that at least one (1) competent person is efficiently employed on the lease area on each week day except Saturday or any week day that is a public holiday,
- OR
- (b) expend on operations carried out in the course of prospecting or mining the lease area, an amount of not less than \$17,500 per annum whilst the lease is in force.

The Minister may at any time or times, by instrument in writing served on the lease holder, increase or decrease the expenditure required or the number of people to be employed.

Control of Operations

6. (a) If an Environmental Officer of the Department of Mineral Resources believes that the lease holder is not complying with any provision of the Act or any condition of this lease relating to the working of the lease, he may direct the lease holder to:-

- (c) The Director-General may extend the period of confidentiality.

Terms of the non-exclusive licence

10. The terms of the non-exclusive copyright licence granted under condition 8 (a) are:
- (a) the Minister may sub-licence others to publish, print, adapt and reproduce but not on-licence reports.
 - (b) the Minister and any sub-licensee will acknowledge the lease holder's and any identifiable consultant's ownership of copyright in any reproduction of the reports, including storage of reports onto an electronic database.
 - (c) the lease holder does not warrant ownership of all copyright works in any report and, the lease holder will use best endeavours to identify those parts of the report for which the lease holder owns the copyright.
 - (d) there is no royalty payable by the Minister for the licence.
 - (e) if the lease holder has reasonable grounds to believe that the Minister has exercised his rights under the non-exclusive copyright licence in a manner which adversely affects the operations of the lease holder, that licence is revocable on the giving of a period of not less than three months notice.

Blasting

11. (a) Ground Vibration

The lease holder must ensure that the ground vibration peak particle velocity generated by any blasting within the lease area does not exceed 10 mm/second and does not exceed 5 mm/second in more than 5% of the total number of blasts over a period of 12 months at any dwelling or occupied premises as the case may be, unless determined otherwise by the Department of Environment and Conservation.

- (b) Blast Overpressure

The lease holder must ensure that the blast overpressure noise level generated by any blasting within the lease area does not exceed 120 dB (linear) and does not exceed 115 dB (linear) in more than 5% of the total number of blasts over a period of 12 months, at any dwelling or occupied premises, as the case may be, unless determined otherwise by the Department of Environment and Conservation.

Safety

12. Operations must be carried out in a manner that ensures the safety of persons or stock in the vicinity of the operations. All drill holes shafts and excavations must be appropriately protected, to the satisfaction of the Director-General, to ensure that access to them by persons and stock is restricted. Abandoned shafts and excavations opened up or used by the lease holder must be filled in or otherwise rendered safe to a standard acceptable to the Director-General.

Rehabilitation

13. (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Director-General and in accordance with the Mining Operations Plan so that:-

Prevention of Soil Erosion and Pollution

16. Operations must be carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination or erosion, unless otherwise authorised by a relevant approval, and in accordance with an accepted Mining Operations Plan. For the purpose of this condition, water shall be taken to include any watercourse, waterbody or groundwaters. The lease holder must observe and perform any instructions given by the Director-General in this regard.

Transmission lines, Communication lines and Pipelines

17. Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other utility on the area without the prior written approval of the Director-General and subject to any conditions he may stipulate.

Fences, Gates

18. (a) Activities on the lease must not interfere with or damage fences without the prior written approval of the owner thereof or the Minister and subject to any conditions the Minister may stipulate.
- (b) Gates within the lease area must be closed or left open in accordance with the requirements of the landholder.

Roads and Tracks

19. (a) Operations must not affect any road unless in accordance with an accepted Mining Operations Plan or with the prior written approval of the Director-General and subject to any conditions he may stipulate.
- (b) The lease holder must pay to the designated authority in control of the road (generally the local council or the Roads and Traffic Authority) the cost incurred in fixing any damage to roads caused by operations carried out under the lease, less any amount paid or payable from the Mine Subsidence Compensation Fund.
20. Access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land. Temporary access tracks must be ripped, topsoiled and revegetated as soon as possible after they are no longer required for mining operations. The design and construction of access tracks must be in accordance with specifications fixed by the Department of Infrastructure, Planning and Natural Resources.

Trees and Timber

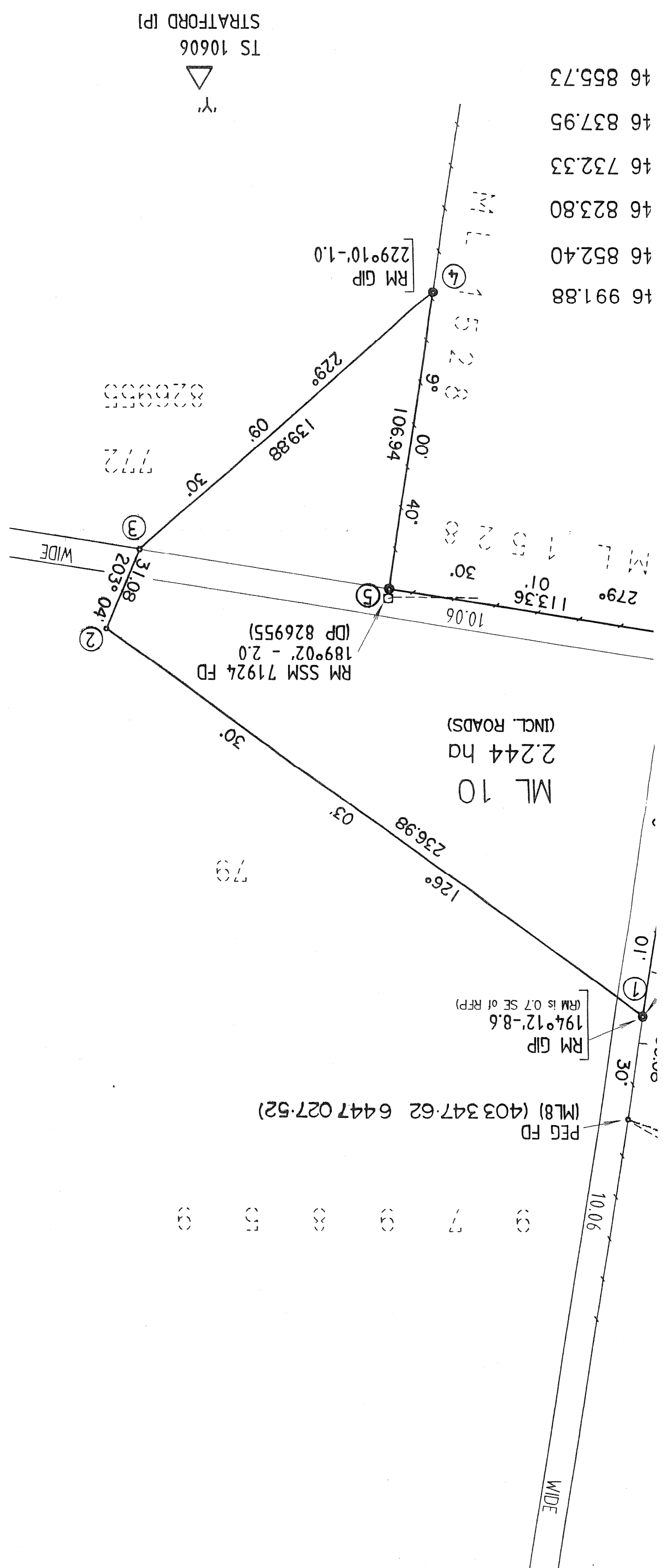
21. (a) The lease holder must not fell trees, strip bark or cut timber on the lease without the consent of the landholder who is entitled to the use of the timber, or if such a landholder refuses consent or attaches unreasonable conditions to the consent, without the approval of a warden.
- (b) The lease holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on the lease area except such as directly obstructs or prevents the carrying on of operations. Any clearing not authorised under the Mining Act 1992 must comply with the provisions of the Native Vegetation Conservation Act 1997.
- (c) The lease holder must have any necessary licence from State Forests of NSW before using timber from any Crown land within the lease area.

- (b) If the lease holder fails to fulfil any one or more of the obligations under this lease, then the security held may be applied at the discretion of the Minister towards the cost of fulfilling such obligations. For the purpose of this clause the lease holder shall be deemed to have failed to fulfil the obligations of the lease if the lease holder fails to comply with any condition or provision hereof, any provision of the Act or regulations made thereunder or any condition or direction imposed or given pursuant to a condition or provision hereof or of any provision of the Act or regulations made thereunder.

M 27053

PLAN OF PORTION ML 10

PARISH(S) AVON		COUNTRY(S) GLOUCESTER		MAP SHEET NO(S) GLOUCESTER 9233-1-N		REDUCTION RATIO 1:1500	
MINING LEASE APPLICATION NO. 247		MINING DIVISION SINGLETON		APPLICANT(S) GLOUCESTER COAL LTD CJM STRATFORD Pty. Ltd.		APPLICATION DATE 05/07/2004	
MINING LEASE NO. 1577 (Act 1992)		STATUS OPEN CUT		METHOD OPEN CUT		SURFACE EXCEPTION / DEPTH RESTRICTION Embraces the surface and land below thereof to an unlimited depth.	
NOTES		Azimuth 'X'-'Y' (MGA)		Plans used in the course of this survey/compilation ML1 DP 979859 ML8 DP 826955		Survey declared on this plan is for lines 1-7	
JULIAN VERNON CALVER of, CALVER deWITT & TAYLOR PTY.LTD. P.O. BOX 194 GLOUCESTER 2422		a surveyor registered under the Surveyors Act, 2002, hereby certify that the survey represented in this plan is accurate and has been completed in accordance with the Surveying Regulation, 2001, and the Surveyor General's Directions for Mining Surveys and was completed on 18.10.05		Signature : <i>[Signature]</i> Surveyor's Reference : GL764		Survey Dates : 25-01-2006 Plan Investigated : 25-01-2006 Plan Approved : <i>[Signature]</i> 04.12.06	



TS 10606
STRATFORD (P)

46 855.73
46 837.95
46 732.33
46 823.80
46 852.40
46 991.88

ML 10
279° 01' 113.36
30°
10.06

ML 10
2.244 ha
(INCL. ROADS)

RM GIP
194°12'-8.6
(RM is 0.7 SE of RFP)

PEG FD
(ML8) (403347.62 6447027.52)

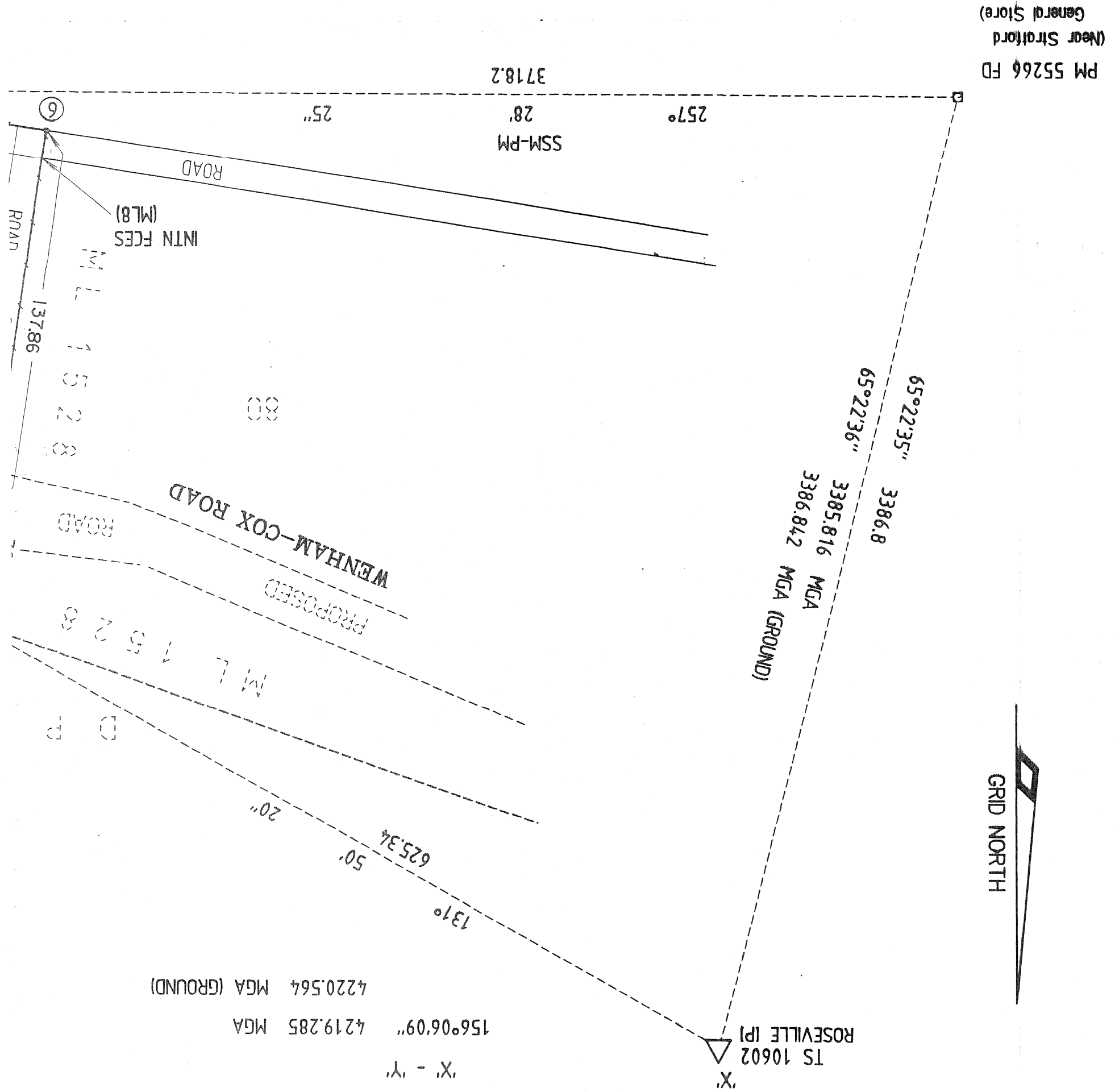
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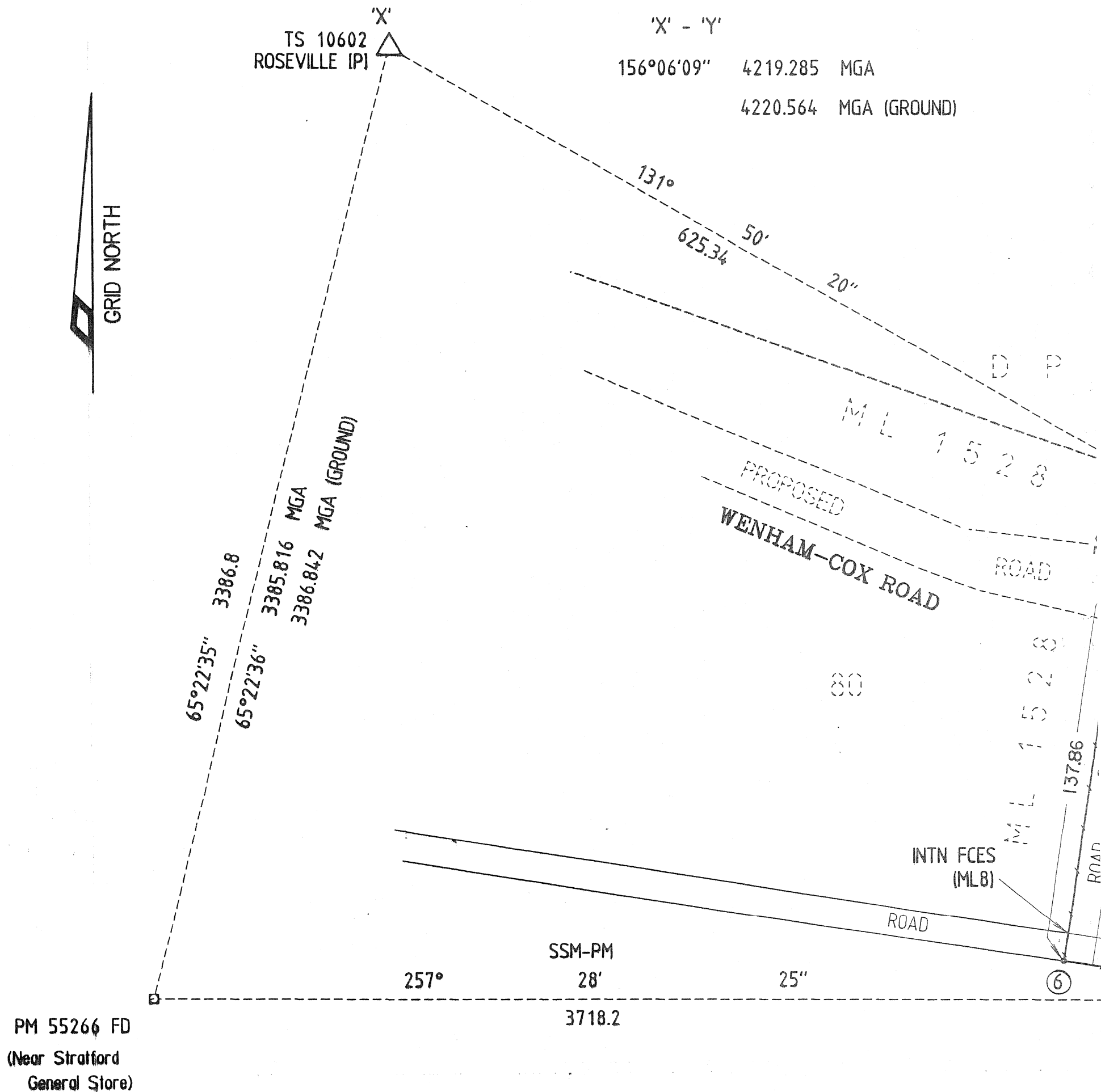
MARK	EASTING		RT. (AHD.)	CLASS	ORDER	V. ACC.
	NORTHING					
PM 55266	399 803.775	6 446 033.962	124.736	B	U	2
TS 10602	402 881.708	6 447 444.663	123	A	U	7
TS 10606	404 590.939	6 443 587.087	446.944	A	U	2

- ① 403 341.96 6 4
- ② 403 533.53 6 4
- ③ 403 521.36 6 4
- ④ 403 415.53 6 4
- ⑤ 403 432.29 6 4
- ⑥ 403 320.33 6 4

LEASE CORNERS
 MGA COORDS

DP
 771





PM 55266 FD
(Near Stratford
General Store)

771

DP

LEASE CORNERS
MGA COORDS

- ① 403 341.96 6 4
- ② 403 533.53 6 4
- ③ 403 521.36 6 4
- ④ 403 415.53 6 4
- ⑤ 403 432.29 6 4
- ⑥ 403 320.33 6 4

MARK	M.G.A. CO-ORDINATES		R.L. (A.H.D.)	CLASS	ORDER	V. ACC.
	EASTING	NORTHING				
TS 10602	402 881.708	6 447 444.663	123	A	U	7
TS 10606	404 590.939	6 443 587.087	446.944	A	U	2
PM 55266	399 803.775	6 446 033.962	124.736	B	U	2

COMBINED SEA LEVEL & SCALE FACTOR : 0.999697 ZONE: 56
SOURCE : S.C.I.M.S. DATE : 19th October 2005