

Dust Management Initiatives

Mt Owen will continue to control dust by:

- watering haul roads and other accessible exposed surfaces with water carts;
- minimising the areas disturbed by mining and progressively rehabilitating areas as mining is completed;
- using water sprays on hoppers and watering coal stockpiles when dust is visible;
- fully enclosing conveyors and the CHPP;
- minimising placement of overburden in exposed areas during high winds, where practicable; and
- use of dust suppression on drill rigs.



Geoff Marschke Mt Owen Environmental Officer inspecting mine rehabilitation

Further recent initiatives to improve the management of dust from the project include:

- commencement of a 12 month trial of a chemical dust suppressant that is added to the water in the water carts and provides improved dust control on haul roads and exposed surfaces. This should help to minimise dust from these sources;
- implementation of a system for reducing the impacts of dust from blasting on nearby residences. This involves assessing the wind conditions prior to blasting and avoiding blasting where practicable during winds that would carry the dust cloud over nearby residences; and
- planned further improvement to Mt Owen's dust monitoring network, including installing additional High Volume dust samplers and a real time dust sampler that will monitor dust levels on a continual basis. The data collected from this sampler will be used to improve dust management at Mt Owen.

Blasting

The assessment of blast impacts has been completed, and it has been determined that with continued use of stringent controls, blasting at Mt Owen will not exceed blasting limits at private residences.

Blasting Initiatives

Despite the finding that blasting will not exceed blasting limits at private residences, we will still be putting in place a number of blast controls, which include

- detailed design and ongoing review of all blasts to minimise vibration and overpressure (noise); and
- monitoring of all blasts to verify that blast limits are met.

Blast monitoring will be undertaken at the nearest private residences and Mt Owen propose to install an additional blast monitor in the Middle Falbrook area.

For residents living within three kilometres of the active mining area, HVCC will offer the opportunity for a structural assessment to be conducted on their residence. This will provide an assessment of the current structural integrity of these residences which will allow future comparisons to be made.

Project Timing and Approvals Process

We have delayed lodgement of the development application and EIS until after the Christmas period and at this stage we plan to lodge in early 2004. Once lodged, the EIS will be publicly exhibited for 30 days during which time anyone can make submissions to DIPNR on the project. DIPNR will consider all submissions when assessing the project. As some of you are aware, we have agreed to notify you when the EIS is lodged. If others would also like to be notified, please either indicate this in the enclosed Feedback Form or contact Nigel directly.

Complaints Management

To improve our current protocol for responding to your inquiries or complaints and to provide a single point of contact for Mt Owen Mine, we are in the process of setting up a 24 hour 1800 hotline number. We aim to have this in operation as soon as possible and plan to advertise the number in local newspapers and future newsletters. Until the hotline is established, you should contact Nigel Charnock with any enquiries or complaints relating to Mt Owen on (02) 6570 0746. Nigel will also continue to be the contact for inquiries relating to Ravensworth Operations until his replacement is appointed in the near future. We undertake to respond to any complaints raised as soon as possible.

Contacts

Michelle Kirkman
Senior Environmental Scientist
Umwelt Environmental Consultants
Phone: (02) 4950 5322
Fax: (02) 4950 5737
Email: mkirkman@umwelt.com.au

Nigel Charnock
HVCC Environment and Community Officer
Phone: (02) 6570 0746
Fax: (02) 6570 0747
Email: ncharnock@hunervalleycoalcorp.com.au



Nigel Charnock



Mt Owen Operations Community Newsletter No. 2

Message from the General Manager

Welcome to the second edition of the Mt Owen Operations Community Newsletter.

Our first community newsletter, which was distributed in April 2003, introduced the Mt Owen Operations project and outlined the approvals process and the way in which you could get involved in the process. This newsletter will provide you with an update on the project which has undergone extensive environmental assessment since April, and will also give you an overview of the key assessment results which will be included in the Environmental Impact Statement (EIS).

Nigel Charnock has recently joined the team at Mt Owen as the Hunter Valley Coal Corporation (HVCC) Environment and Community Officer. Some of you may know Nigel from his former position as the Environmental Officer for Ravensworth Operations (Narama and Ravensworth East). Nigel will be your main point of contact for all future enquiries regarding Mt Owen Mine. Geoff Marschke is the Environmental Officer for Thiess Pty Ltd and will continue to fulfil his role in the management of environmental activities at Mt Owen.

On Sunday 30 November 2003 we are hosting our Community Open Day and would be pleased if you could join us for this event. For further details please refer to the enclosed invitation.

We look forward to sending you regular Community Newsletters to keep you informed about the project and activities at Mt Owen. We welcome any further feedback you have on our newsletters or Mt Owen operations and encourage you to contact Nigel or return the enclosed feedback form so that we can take your suggestions on board.

Thank you for the feedback you provided on the first newsletter and during our recent community consultation program. We look forward to ongoing communication with our local community.

A handwritten signature in black ink, appearing to read 'Derek Walls'.

Derek Walls
HVCC, General Manager

Project Update

You may recall from our first Community Newsletter or recent consultation that the Mt Owen project includes:

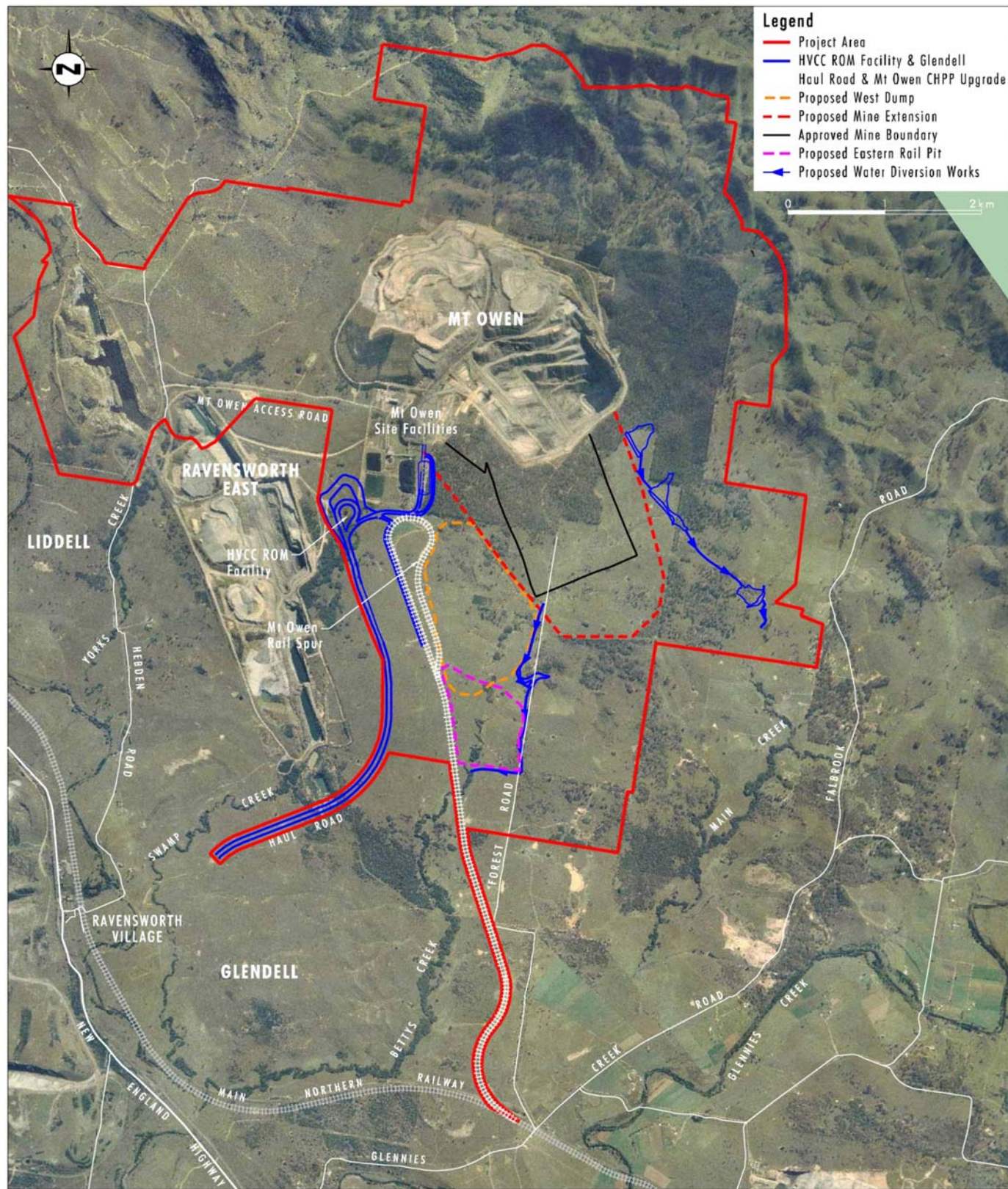
- continuation of existing and approved mining operations at Mt Owen;
- extension of mining operations within Pit C at Mt Owen;
- increasing run of mine (ROM) coal production at Mt Owen from 8 Mtpa to 9 Mtpa;
- development of an out of pit overburden dump known as the West Dump;
- construction and operation of a ROM receival facility (HVCC ROM Facility) and haul road, to enable Mt Owen Coal Handling and Preparation Plant (CHPP) to receive and process ROM coal from Ravensworth East and Glendell mines;
- modifications to the Mt Owen CHPP;
- increase in the volume of coal transported along the Mt Owen rail spur to transport product from up to 14 Mtpa ROM coal; and
- associated modifications to the mine water management system.

Following further exploration and design work, the project now also includes:

- establishment of a small new mining area known as the Eastern Rail Pit on the south-western side of Pit C;
- increase in ROM coal production from Mt Owen from 8 Mtpa up to 10 Mtpa; and
- relocation of the West Dump to conserve 10 hectares of Ravensworth State Forest, in order to minimise flora and fauna impacts.

HVCC is seeking a modification to the existing Development Consents for tailings emplacement and construction of the ROM receival facility. Continued use of these facilities will form part of the EIS.

Key project components are illustrated as follows.



Community Consultation

Consulting the community is an important part of the project. We want to ensure we provide you with useful information on the project, and also give you the opportunity to raise any issues. The EIS will document any issues you may have raised during consultation, and how we intend to address these, for consideration by the Department of Infrastructure, Planning and Natural Resources (DIPNR) during the assessment of the project.

Consultation undertaken with nearby residents to date has included the Community Newsletter sent in April 2003 and individual meetings with residents interested in the project between May and July 2003. Further meetings have been held with residents during September to November 2003 to provide feedback on the environmental assessment results. The most common issues raised by the community so far relate to noise, dust and blasting. We have provided further detail in this newsletter on the results of the assessment of these issues.

Key Environmental Issues

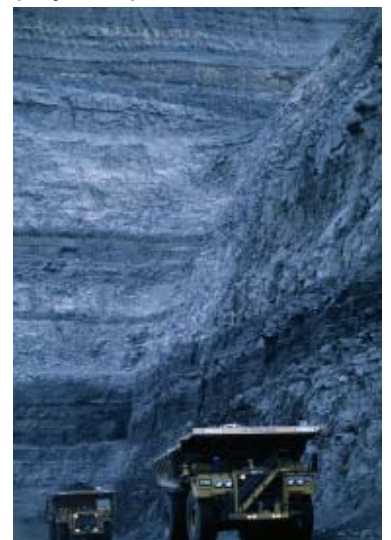
An update on the results of the assessment of noise, dust and blasting impacts from the project is provided below:

Noise

The comprehensive assessment of the noise impacts from the project on nearby residents highlighted the need for additional noise controls to be adopted for future mining operations.

Noise predictions have been made for Year 3 of the operation, as well as for years 6, 10 and 17. Predictions have been made for a range of different weather conditions typical of the Mt Owen area. This includes weather conditions that propagate noise the greatest distance from the source (referred to as worst case conditions). These conditions typically involve the presence of a temperature inversion (which can trap and/or deflect noise) and a light wind from the northwest and mostly occur during winter night time and mornings. Noise impacts are less for all other weather conditions.

The noise assessment conducted to date identified that noise from the project will be highest in the first 3 to 6 years when mining will be taking place in the Eastern Rail Pit and Pit C but also when the West Dump will be active.



Current equipment operating at Mt Owen

Noise Management Zone

Private residences predicted to experience noise levels attributable to the project in excess of 35 dB(A) are within a Noise Management Zone. Specific noise monitoring and the ongoing review and implementation of noise management measures will be required for residences within the Noise Management Zone. Ongoing noise monitoring will be conducted for the life of the project to ensure that the Mine meets noise criteria.

Noise Affection Zone

Private residences with noise levels in excess of 40 dB(A) are likely to be within a Noise Affection Zone. The final criteria for the Noise Affection Zone will be determined by DIPNR. Residents within the Noise Affection Zone will be entitled to be purchased by HVCC if they choose. There will be a formal acquisition process established by the DIPNR if the project is approved.

During year 3 of the project, it is predicted that under worst case weather conditions, up to 10 private residences located to the east and southeast of the project will be in the Noise Management Zone and a further 14 private residences are predicted to be within the Noise Affection Zone.

Noise levels from the project decrease following the completion of the Eastern Rail Pit and West Dump, in about year 6 of the project.

Noise Management Initiatives

Mt Owen has committed to an extensive program to minimise noise which includes:

- installing noise attenuation on existing equipment and specification of lower noise emission levels on new equipment at the time of replacement;
- operating equipment behind a noise bund on the eastern side of the West Dump during night operations;
- installing quieter reversing alarms on equipment;
- trialing alternative signalling systems for equipment to reduce the need for using horns; and
- ongoing investigation of the opportunities for reduction of noise from the tracks on dozers.

Dust

An assessment of the impacts of dust from the project has been completed. As with the noise assessment, we have made predictions of the dust emissions for years 3, 6, 10 and 17 of the project.

Key findings are:

- Dust levels as a result of the project are predicted to increase at nearest residences to the southeast as mining at Mt Owen moves closer to these residences.
- The highest dust levels for the project are predicted to be in Year 17 when Mt Owen is at its closest point to private residences.
- While dust levels are predicted to increase for the majority of the project, the levels will remain within the limits for dust as set by the DIPNR and the EPA at most private residences. However, in Year 10 dust levels are predicted to be exceeded at 1 private residence and at 3 private residences in year 17.
- An assessment of dust from the project in combination with other dust sources in the area (i.e. cumulative assessment), has been completed and will be documented in the EIS.