

1 GENERAL MANAGERS' MESSAGE



On behalf of the HVCC team I wish everyone a merry Christmas and safe New Year.

2 HVCC RECEIVES APPROVAL



On 9 December 2004, the Minister for Infrastructure, Planning and Natural Resources, the Hon. Craig Knowles MP announced the approval of HVCC's DA for the Mt Owen Operations Project.

3 COMMUNITY UPDATE



Our support of a range of community and educational initiatives continues, including a visit from Mt Pleasant Primary School.

4 ONGOING RESEARCH



The University of Newcastle Research Program, established at Mt Owen Mine, involves investigating the best soil materials and additives for establishing local forest communities.

MT OWEN TWO-WAY

The Mt Owen Community Update Issue No.4 December 2004

HVCC Receives Approval for Mt Owen Operations Project

You may recall from our last newsletter in June 2004 that HVCC submitted a Development Application and supporting Environmental Impact Statement (EIS) to the Department of Infrastructure, Planning & Natural Resources (DIPNR) for modifications and extensions to its existing operations on 28 January 2004.

The Minister for Infrastructure, Planning and Natural Resources, the Hon. Craig Knowles MP, appointed Commissioner Kevin Cleland to chair a Commission of Inquiry (COI) into HVCC's Development Application for the proposed extension of Mt Owen Operations. The COI was held at the Singleton Council Chambers between June and August 2004 and concentrated on potential community impacts (noise, dust, blasting), water issues and social aspects of the project. The COI was open to the public and provided an opportunity for all interested parties to express their views.

The Commissioner reported his findings and recommendations to the Minister following the COI. After detailed consideration of the social, economic and ecological aspects of the project, the Commission found that the project should be approved, subject to stringent measures to minimise, control and manage environmental impacts. The Commissioner's report to the Minister on the proposed expansion of Mt Owen was publicly released for comment in late October 2004. The report included a list of recommendations for the Minister to consider for inclusion in Development Consent Conditions for the Mine.

Following consideration of public and government submissions on the Commissioner's Report and recommendations to the Minister, DIPNR prepared and publicly released draft Consent Conditions for the Mt Owen Project on 10 November 2004. The draft Consent was exhibited on the Department's website and written submissions on the draft conditions were sought up to 18 November 2004. All parties who attended the COI and relevant government agencies were notified of the release of the draft Consent.

On 9 December 2004, the Minister announced the approval of HVCC's DA No. 14-1-2004 for the Mt Owen Operations Project, subject to stringent environmental controls. The new Consent is valid for a period of 21 years (until December 2025). All existing Development Consents held by HVCC for Mt Owen will be surrendered and the Mine will operate under this new Consent.

As detailed in DIPNR's media release dated 9 December 2004, the Mt Owen Operations project will:

- generate at least \$2.5 billion in export revenue over 21 years;
- contribute at least \$50 million to the economy in capital spending on infrastructure;
- contribute at least \$170 million annually to the regional economy in spending on goods and services;
- provide continued employment for approximately 260 people expected to spend between \$15 and \$20 million a year in the regional economy;
- provide indirect employment for between 500 and 800 people;
- improve the viability of the adjacent Ravensworth East Mine, which employs 50 people;
- improve likelihood of production at Glendell Mine, approved in 1983, with the potential to employ 120 people.

The State will also benefit through royalties, taxes and a range of charges.



Thiess Environmental Officer Geoff Marschke explains aspects of Mt Owen's DA during the recent COI site tour to Commissioner Cleland, community and government representatives and Mt Owen mining personnel.



A detailed program of environmental monitoring is required under the new Mt Owen Development Consent.

Message from the General Manager

Welcome to Mt Owen Operations Community Newsletter No. 4. This publication will provide you with an overview of mining operations and recent environmental management and community initiatives at Mt Owen Mine.

In this issue we provide details of the Minister's recent approval of Hunter Valley Coal Corporation's (HVCC's) Development Application to extend Mt Owen Operations. This follows a lengthy Development Application process, which included a Commission of Inquiry.

The Commission of Inquiry provided an opportunity for all interested parties to express their views, which were then taken into consideration in the final decision.

HVCC are pleased to receive the Minister's approval which secures Mt Owen Operations' future as a key employer and producer of coal in the Hunter Valley. Importantly, the Approval comes with stringent environmental conditions, all of which we support.

HVCC conducted an extensive community consultation programme as part of our Development Application, which we are committed to continuing. We wish to build on existing relationships and will continue to seek input from the community going forward.

On behalf of HVCC I wish to thank the community for their participation in the Development Application process and assure them of our commitment to meeting the stringent conditions attached to the consent.

On behalf of the HVCC team I wish everyone a merry Christmas and safe New Year and look forward to keeping you informed of our progress in 2005.

Derek Walls
General Manager, HVCC

What is a Development Consent?

A Development Consent is a statutory instrument issued and administered by DIPNR under the Environmental Planning and Assessment Act 1979 to control large scale developments in New South Wales, such as coal mining.

Development Consents allow for the commencement and on-going operation of a development, subject to specific conditions within the Consent, which aim to:

- prevent, minimise and/or offset adverse environmental impacts;
- set standards and performance measures for acceptable environmental performance;
- require regular monitoring and reporting; and
- provide for the on-going environmental management of the development

The Mt Owen Development Consent contains 99 individual conditions that must be complied with relating to administrative issues, environmental management and land acquisition associated with the operation of the Mine. Compliance with Consent conditions will be closely assessed for the life of the operation through regular monitoring, independent environmental audits, reporting and public access to information, which are all required under the Consent.

The Mt Owen Development Consent can be viewed on DIPNR's website at www.dipnr.nsw.gov.au. Alternatively, a copy of the Consent can be viewed at the Mt Owen Mine.

It is HVCC's intention to make the Development Consent publicly available on the Mt Owen Mine website, once established.

MT OWEN TWO-WAY



Community & Educational Support

Social Involvement Plan

HVCC have developed a Social Involvement Plan (SIP) to provide it with a practical management tool for effective stakeholder engagement and to assist the Company to build and maintain relationships, trust and credibility with the local community. The SIP includes specific objectives and techniques for on-going communication between HVCC and stakeholders and details HVCC's annual community support program, which includes donations, sponsorship, and in-kind support for a range of community, educational and environmental initiatives.

Update on Community Contributions & Educational Initiatives

Since our last newsletter we have continued to support a range of community and educational initiatives, including:

- Funded development of website and brochure for the Mt Pleasant Primary School;
- Hosted a mine tour for the Mt Pleasant Primary School;
- Hosted mine tours for university students and teachers as part of the NSW Minerals Council Education Program;
- Donation towards the establishment of a weather station at Singleton High School; and
- Donation from HVCC and Thiess to Mt Olive Hall Committee to fund repairs to Mt Olive Hall dance floor.

In June 2004, Mt Owen hosted students from the Mt Pleasant Primary School for a mine visit. The students were briefed by mine employees on issues such as safety, the environment, the mining process and mine rehabilitation, before observing mining operations from a viewing platform. The students then enjoyed a close up inspection of some of the large mining equipment on the mine site, such as dump trucks and bulldozers. All students were provided with a showbag containing educational material on the Mt Owen Mine and open-cut coal mining in general. The mine tour and educational material provided will assist the students with school projects relating to mining and the environment.



Students from the Mt Pleasant Primary School enjoyed a tour of the Mt Owen Mine in June 2004.

Recent Initiatives in Environmental Management

Mt Owen Mine is committed to maintaining and continually improving its environmental performance. Recent initiatives include:

- Implementation of a total waste management contract with a reputable and licensed waste contractor, which will provide improved opportunities for recycling and better management of waste streams;
- Establishment of a new blast monitoring network, incorporating the latest technology;
- Continued development of the site water management system to provide improved opportunities for water recycling onsite and with adjacent operations; and
- On-going development of the mine's real time noise monitoring system.

Research

The topsoil substitute rehabilitation research project being conducted by the University of Newcastle and funded by the Australian Coal Association Research Program was established at Mt Owen Mine in August and September 2004. This trial is investigating the best soil materials and additives for establishing local forest communities. The trial is using locally available materials, including grassland topsoil, mining overburden, subsoil, and chitter, along with soil additives, such as biosolids, gypsum and worm castings. Monitoring of the trials will commence in late summer. This research is supported by seasonal vegetation surveys of both the local forest and rehabilitation areas.



Looking South across the Mt Owen research area.

Monitoring of the local fauna species is on-going in order to identify species present and changes in their numbers over time. This monitoring is supported by active management practices to minimise the impact of mining. This mainly involves the establishment of alternative feeding and roosting habitat. The most significant result of this year's monitoring has been the locating of a pair of Powerful Owls in the Northern Remnant of Ravensworth State Forest. Unfortunately this rare species was only located on one night and do not appear to be local residents.

Community Noticeboard

Blasting Hotline & Blasting Notifications

The new Mt Owen Development Consent requires HVCC to operate a Blasting Hotline to enable the public to get up to date information on the blasting schedule at Mt Owen. To satisfy this condition we are in the process of expanding the scope of the existing 1800 Community Response Line for Mt Owen to include information on blasting times. The Blasting Hotline will enable the Community to telephone the 1800 number and obtain information on daily blasting times via a pre-recorded message.

Once established, the Blasting Hotline will be advertised in local newspapers in conjunction with the existing advertisement for the 1800 Community Response Line. It is anticipated that the Hotline will be operational by the end of January 2005.

Landowners or occupiers of any residence within 3km of the Mt Owen Project area are also entitled to be notified about the blasting schedule at the Mine. If you reside within 3km of the Project area and wish to be notified of the blasting schedule, or if you are unsure of your eligibility for notification, please contact HVCC's Environment & Community Officer on the contact number provided.

Property Inspections

The assessment of blasting impacts completed for the recent Mt Owen DA has determined that with the use of stringent blasting controls, blasting at Mt Owen will not exceed blasting limits set by the Department of Environment and Conservation (DEC) at private residencies. Despite this, the Mine has implemented further controls and monitoring, which includes:

- Detailed design and on-going review of all blasts to minimise vibration and overpressure (noise); and
- Monitoring of all blasts to ensure that blast limits are met.

For residents living within three kilometres of the development, HVCC has previously offered 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. This entitlement is formally recognised in the new Mt Owen Consent. HVCC would like to remind landowners or occupiers of any residence within the 3km of the Mt Owen Project area that they are entitled to request in writing that HVCC arrange and pay for a property structural inspection on their property. The inspection is to be undertaken by a suitably qualified, experienced and independent person, whose appointment has been approved by the Director General of DIPNR.

Development of Website for Mt Owen Mine

The Mt Owen Development Consent provides for public access to information relating to the operation of Mt Owen Mine through the requirement for HVCC to establish and maintain a dedicated website for Mt Owen.

The Mt Owen website is currently under development and once operational will provide the public with access to information on:

- environmental monitoring programs, strategies or plans required under the Consent;
- environmental monitoring results;
- public reports;
- community consultative committee minutes; and
- general information on Mt Owen's operational, environmental and social performance.

Update on the Mt Owen Community Consultative Committee

In November 2004, Mt Owen held its second CCC meeting for 2004. The meeting was chaired by the new Chairperson of the Mt Owen CCC, Councillor Mary Robinson who replaces Councillor Paul Nichols. The meeting included an update on Mt Owen Mine's Development Application for an expansion to current mining operations, a presentation on HVCC's Social Involvement Plan, an update on current mining operations, and a review of the mine's environmental performance since the last meeting in May 2004.

The November 2004 Mt Owen CCC meeting was attended by members of the Mt Owen, former Ravensworth East and Glendell CCC's. The purpose of the joint meeting was to discuss the proposed amalgamation of the Mt Owen, Ravensworth East and Glendell CCC's. HVCC received prior support for the concept from Singleton Council, DIPNR and Mt Owen CCC community representatives. Currently, three separate Committees exist for these mines (although no mining has occurred at Glendell to date). However, given that the three adjacent mining areas are owned by Xstrata Coal and managed by HVCC, it is considered that a single amalgamated CCC is appropriate and will free up Council's resources.

At the November 2004 meeting members of the Mt Owen, Ravensworth East and Glendell CCC's voted in favour of the proposed amalgamation. HVCC offered existing members of all three CCC's the opportunity to join the amalgamated committee, which was accepted by all members present. HVCC will now formally advise Singleton Council and DIPNR of the CCC's decision and assist Council to formally establish a new Mt Owen CCC.

Community Vacancies on the new Mt Owen CCC

The proposed amalgamated Mt Owen Complex CCC currently comprises six community representatives. Vacancies exist for three additional community representatives to join the Committee. Interested persons should contact Brian Thomas at Singleton Council on 65 787351.