



**Major Projects Summit
Queens Beach Hotel, Bowen
May 2011**

Content



- Who is QCoal?
- QCoal operations & projects
- Key development issues



Who is QCoal?



- Privately owned, Queensland company
- Active in coal exploration and development in Queensland for over 16 years. High risk of exploration mitigated through focus (only Queensland) and extensive industry experience
- Discovered & developed numerous coal deposits
- Expanding team and a range of consultants employed to develop world class projects
- Company goal is to expand to be a major producer initially in the North Bowen Basin



What we do?



- Exploration
- Development
- Operations
- Marketing



QCoal operations & projects



Operations

- Sonoma Coal Mine

Projects

- Jax Coal Project
- Drake Coal Project
- Byerwen Coal Project

Exploration



Sonoma Coal Mine



- Joint venture with Cliffs Natural Resources Inc & associated customers
- Operated by Sonoma Mine Management
- Located 6km south of Collinsville, 105km rail to Abbot Point
- Northern tip of Moranbah coal measures
- Hard, semi-hard coking coal & thermal products
- First shipment in February 2008
- 6 Mtpa mine operated by Leighton Contractors
- Coal preparation plant operated by Sedgman
- Total employment exceeds 270



Jax Coal Project



- Open cut deposit, 13km south of Collinsville
- Moranbah coal measures
- Mine lease application lodged
- Controlled by QCoal
- Exported through Abbot Point
- Coal mining - 1.8 Mtpa
- Mining method - truck/ excavator operation

Drake Coal Project



- Open cut deposit, 13km south of Collinsville
- Three mining lease applications
- Moranbah coal measures
- Controlled by QCoal
- Exported through Abbot Point
- Mining method - truck/excavator operation
- Coal mining - 10 Mtpa
- 1400 tph coal preparation plant
- Hard coking coal & thermal coal product



Drake Coal Project - Approvals process



- Drake Project to be a controlled action and will therefore require assessment and approval under the *EPBC Act*
- Draft EIS to be submitted mid 2011

Mining Lease Approval Process



Environmental Approval Process



- Step yet to be Completed
- Step Completed
- Active Step
- Opportunity for Public Feedback

Byerwen Coal Project



- QCoal & JFE Steel joint venture
- Open cut & underground deposit
- Six mining lease applications
- Moranbah coal measures
- Mining method - truck/excavator operation, future underground
- Mine life up to 50 years
- Coal mining - up to 15 Mtpa
- Exported through Abbot Point via the QR GAP project
- Hard coking coal product

Byerwen Coal Project - Approvals process



- Byerwen to be a controlled action and will therefore require assessment and approval under the *EPBC Act*
- Declared 'Significant Project' status by Queensland Co-ordinator General
- Draft EIS to be submitted end 2011

Mining Lease Approval Process



Environmental Approval Process

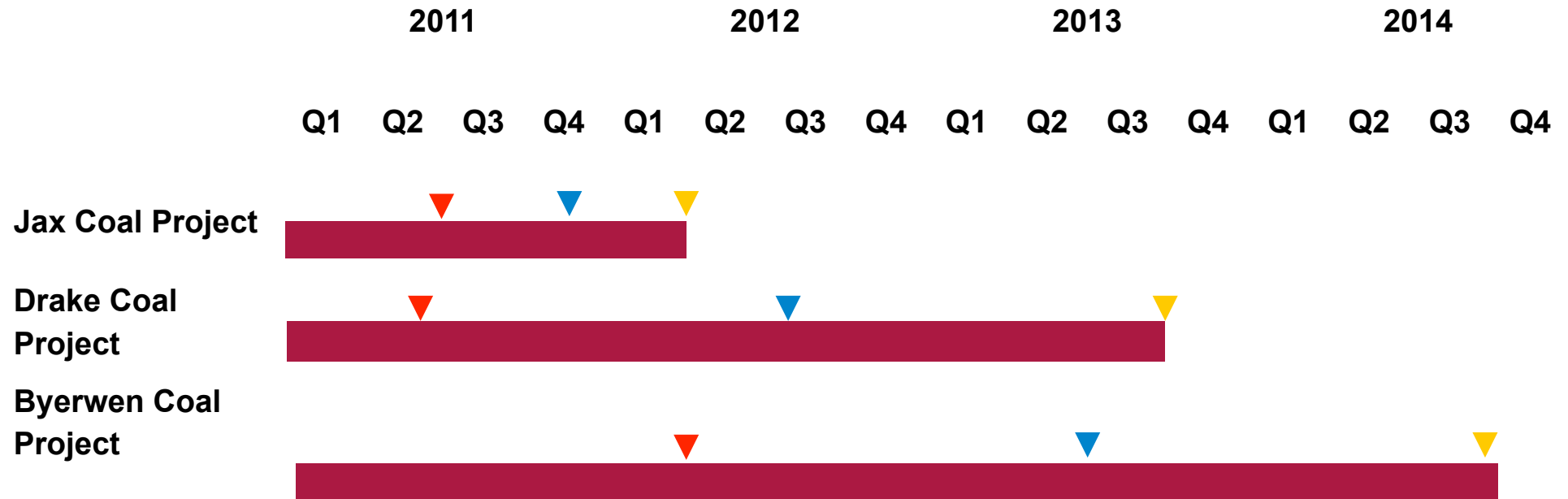


- Step yet to be Completed
- Step Completed
- Active Step
- Opportunity for Public Feedback

Project Development Programme



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▼ EMP/EIS Submitted

▼ ML Granted

▼ First Coal Railed

Key issues - Infrastructure



- Rail
- Port
- Power
- Water



Key issues - Water management



- Managed releases during periods of high flow
- Minimise mine water carrying capacity
- Management of mine water salt levels
- Proactive monitoring & management practices

Key issues - Accommodation



- Construction workforce peak of 500
- Operating employment ramping up to 1000
- Encourage local residency
- Minimise travel
- Regional participation
- Choice

Key issues - Community impacts / engagement



- Provide a mechanism for regular stakeholder contact with the project team
- Provide stakeholders with information regarding the project
- Identify stakeholder issues and concerns with the project
- Establish a mechanism to capture stakeholder feedback for consideration in the EIS
- Social impact assessment & management plan
- Community participation programmes

Queensland Resources Sector - Economic contributions



- Underpins 21% of gross State product & 13% of employment
- \$19B paid in indirect & direct salaries in Queensland in 2009/10
- In 2009/10 the sector purchased \$17.4B worth of goods in Queensland
- Royalties paid to Queensland government in 2009/10 equalled \$2.1B
- Company taxes paid to Aust government in 2009/10 estimated at \$3.8B
- Resource sector land use in Queensland 0.09% of total land area

