



HOW TO OBTAIN MORE INFORMATION

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

You can also contact Rod Hailstone (Environment and Community Manager) at Metropolitan Colliery for more information regarding the Project (02 4294 7222).

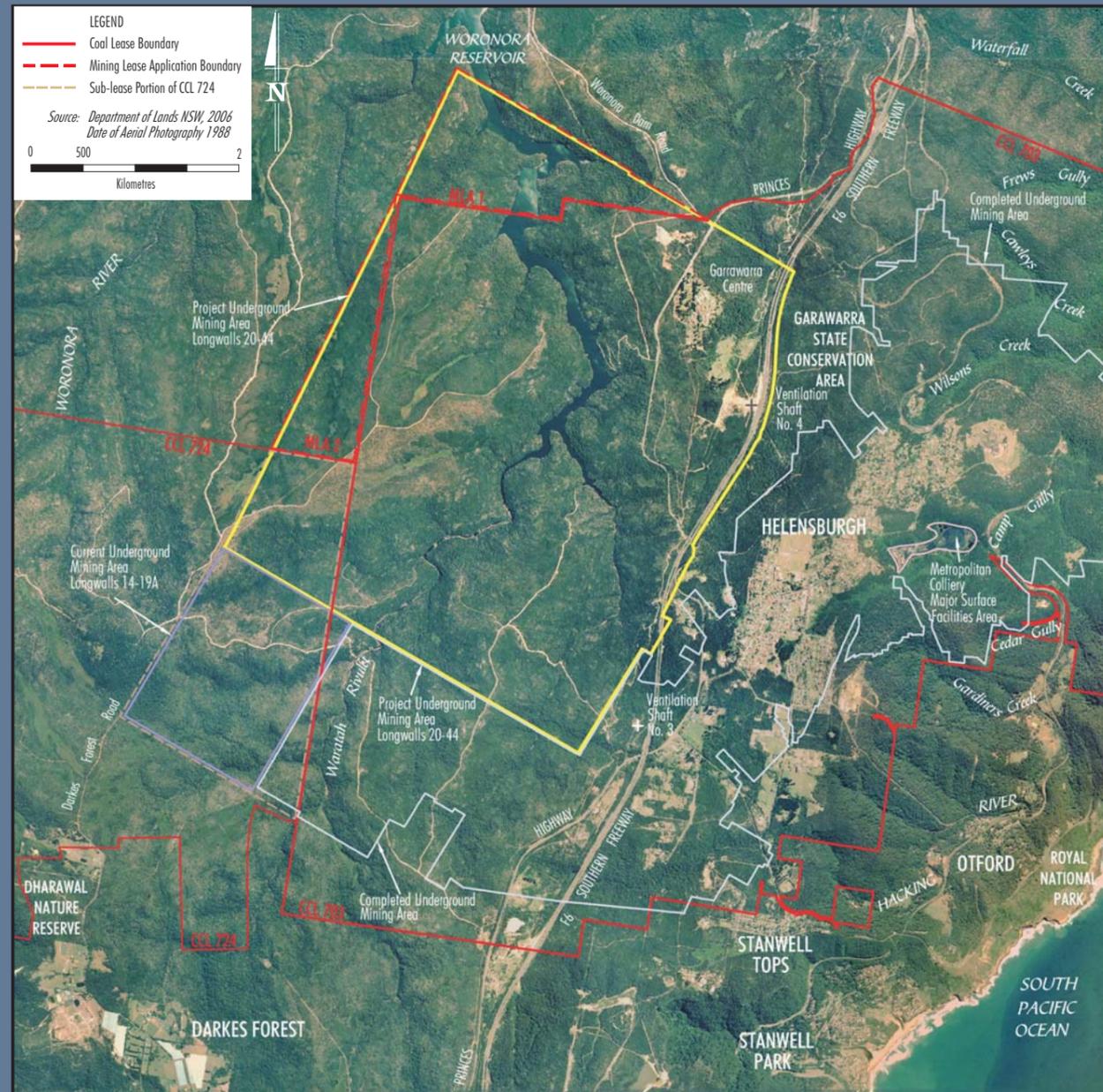


Figure 1 Location of the Proposed Underground Mining Area and Surface Facilities

BACKGROUND

Metropolitan Colliery is an underground coal mining operation located near Helensburgh, approximately 30 kilometres north of Wollongong in NSW. Metropolitan Colliery is owned and operated by Helensburgh Coal Pty Ltd (HCPL), a wholly owned subsidiary of Peabody Pacific Pty Limited.

Metropolitan Colliery is one of the longest running coal mining operations in Australia and has an operational workforce of some 320 staff and on-site contractors. Metropolitan Colliery enjoys a positive relationship with the local community and contributes significantly to business turnover, household income and employment in the local region, as well as contributing to state and federal government revenues.

The underground mining operations are supported by Metropolitan Colliery's surface facilities. The major surface facilities of Metropolitan Colliery are situated off Parkes Street in Helensburgh (see Figure 1 on back page).

Metropolitan Colliery currently produces up to approximately 1.5 Million tonnes per annum (Mtpa) of hard coking and semi-hard coking product coal. The majority of product coal is transported by train to the Port Kembla Coal Terminal to domestic and overseas customers. A proportion of the product coal is also transported by truck to the Corrimal and Coalcliff Coke Works for domestic use.

THE METROPOLITAN COAL PROJECT

The Metropolitan Coal Project (the Project) would involve the continuation of underground mining operations at Metropolitan Colliery. The area of proposed underground mining is situated to the north of the current longwall mining areas (see Figure 1 on back page). The Project would extend the life of Metropolitan Colliery by approximately 25 years.

Significant components of the Project include the following:

- Continued development of underground mining areas.
- Increased saleable coal production (from 1.5 Mtpa to approximately 2.8 Mtpa).
- Continued transport of product coal by train to the Port Kembla Coal Terminal and by truck to the Corrimal and Coalcliff Coke Works.
- The Coal Handling and Preparation Plant and associated surface facilities would be upgraded as necessary.
- Continued transport of coal reject material to the Glenlee Washery and on-site underground injection of coal reject material within mined out areas.

- Supporting infrastructure systems (e.g. ventilation, gas management, water management and underground mining systems) would be upgraded and extended as required.
- The operational workforce (i.e. staff and on-site contractors) is expected to remain stable at 320 people.
- An additional short-term construction workforce of up to 50 people is anticipated.

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 NSW Minister for Planning is the approval authority for the Project.

It is anticipated that the Project Approval would consolidate and replace existing approvals for Metropolitan Colliery.

CURRENT STATUS AND TIMING

HCPL has submitted a Project Application (including a Project Description and Preliminary Assessment Report) to the NSW Department of Planning (DoP). These documents will be made publicly available on the DoP website.

An Environmental Assessment document will be prepared for the Project which will include relevant environmental baseline and impact assessment studies to address the Director-General's Environmental Assessment Requirements for the Project. The Environmental Assessment is currently scheduled for submission by mid 2008. Current planning is targeting Project Approval by early 2009.





NON-ABORIGINAL HERITAGE ASSESSMENT

(Dr Michael Pearson)

The Metropolitan Colliery is one of the longest operating coal mines in NSW and several historic and currently operating components are listed on the Wollongong Local Environmental Plan and/or Illawarra Regional Environmental Plan. Project construction activities and upgrade of existing infrastructure at the major surface facilities area could potentially impact on some of the listed heritage items at the Metropolitan Colliery.

Non-Aboriginal heritage items located in the vicinity of the Project underground mining area include the Garrawarra Centre and a part stone cottage and lands located at 43-49 Princes Highway. Dr Pearson found that negligible impacts on the heritage values of these sites are expected to occur, as only minimal subsidence impacts are expected to the site at 43-49 Princes Highway and HCPL has committed to mining in a manner that will avoid material effects to the Garrawarra Centre.

A Conservation Management Plan will be developed for the Metropolitan Colliery major surface facilities area to provide guidance for management of heritage items during the design, construction and operation of the Project. An existing Conservation Management Plan is in place for the Garrawarra Centre and would be applied where relevant for the Project.

The Royal National Park (and associated Garawarra State Conservation Area) is included on the National Heritage List although no impacts on the heritage values of this area are anticipated to arise from the Project.

NOISE ASSESSMENT

(Heggies Pty Ltd)

HCPL commissioned Heggies Pty Ltd to undertake a Noise Assessment for the Project. The study included consideration of operational noise impacts from the Metropolitan Colliery's surface facilities and road and rail operations.

The existing Metropolitan Colliery is an industrial noise generating facility and in accordance with the Metropolitan Colliery Environment Protection Licence, HCPL has already undertaken a range of noise monitoring and noise reduction measures via Pollution Reduction Programs. HCPL would implement a range of further noise reduction measures as part of the Project.

The modelling of Project noise emissions indicates that no privately owned residences would experience an increase in operational noise as a result of the development of the Project. In addition, Project noise would decrease at the majority of nearby private receivers, as the Project noise mitigation measures are progressively implemented.

There will be no increase in road haulage traffic for the road transport of product coal or coal reject as a result of the Project, and only a minor increase in the total train movements on the Illawarra Railway as a result of the Project. As a result, minimal road and rail transport noise and vibration impacts are predicted to arise from the Project.

HCPL will implement a Noise Compliance Programme for the Project, including regular operational noise monitoring at nearby residences. The Metropolitan Colliery would continue to be regulated by the Environment Protection Licence and it is anticipated that Pollution Reduction Programs would continue to be utilised as a mechanism for ongoing noise performance improvement.



AIR QUALITY ASSESSMENT

(Dr Nigel Holmes)

HCPL commissioned Holmes Air Sciences to undertake an Air Quality Assessment for the Project.

An existing air quality monitoring network is in place at the Metropolitan Colliery and collects baseline air quality information associated with the existing Metropolitan Colliery operations including dust deposition and particulate concentrations. HCPL also implements a range of dust management measures including watering of stockpiles and washing of trucks that leave the site. The baseline air quality monitoring indicates compliance with applicable air quality criteria.

The majority of potential air quality related impacts due to the Project are related to the development and expansion of materials handling at the Metropolitan Colliery major surface facilities area and not the extension of underground mining. The results of air quality modelling for the Project indicate continued compliance with applicable air quality criteria at the nearest residences.

A Surface Dust Management Plan has been prepared for the Metropolitan Colliery and will be revised for the Project. Dust and particulate monitoring will continue to be undertaken during the Project life. Due to the close proximity of private residences to the major surface facilities area, as a component of the Project a real time air quality monitoring system would be installed to enable site operators to modify activities as required, to minimise dust generation during adverse conditions.

An assessment of the Project greenhouse gas emissions was also conducted, and the results have been compared with relevant recent state and national greenhouse gas inventories.

TRANSPORT ASSESSMENTS

HCPL commissioned Masson Wilson Twiney to undertake a road traffic assessment for the Project.

The existing Metropolitan Colliery haulage of coal reject to the Glenlee Washery (west of Campbelltown) and product coal haulage to the Corrimal and Coalcliff Coke Works (south-east of Helensburgh) contributes to existing heavy vehicle movements on the public road network. These existing Metropolitan Colliery heavy vehicle movements on the public road network would not be increased by the Project.

Project surface construction works would be undertaken intermittently over a period of up to five years with predicted construction traffic comprising both light vehicles (employee transport) and small truck/heavy vehicle movements (deliveries/services). The additional traffic generated by the Project would make only a small contribution to total traffic volumes on the existing haulage routes.

An assessment of rail transport has also been undertaken. Increased coal production will require additional trains (i.e. up to three trains per day on average and up to a maximum of four per day) however this increase corresponds to a small percentage of the overall rail traffic on the rail network.

A Transport Management Plan will be prepared for the Project to minimise traffic generation where practicable.

SUMMARY OF OTHER KEY ISSUES

Assessment of other key issues such as surface water, groundwater, ecology and Aboriginal heritage was included in the previous handout, available on the company website: www.peabodyenergy.com.au/nsw/metropolitan-mine.html.

