

Rehabilitation

The implementation of rehabilitation and remediation measures in the underground mining area and surrounds is monitored by Metropolitan Coal.

Surface Disturbance Areas

A Rehabilitation Management Plan – Surface Disturbance Register will be used to manage the rehabilitation of surface disturbance areas. Some surface disturbance areas will be able to be rehabilitated during the life of the Project (e.g. monitoring sites no longer required), while other surface disturbance areas will likely remain until after the completion of mining operations.

Once a surface disturbance area is no longer being utilised, monitoring will be conducted to assess:

- where appropriate, whether equipment/infrastructure items have been removed;
- whether the area is tidy or rubbish removal is required;
- whether erosion and sediment controls are required and if so, the effectiveness of those installed;
- the presence of weeds and the need for the implementation of weed control measures;
- where appropriate, whether vegetation is re-establishing naturally or whether active revegetation is required; and
- if active revegetation is conducted, whether vegetation is establishing.

No surface disturbance areas were rehabilitated during the review period as the majority of disturbance pertained to the installation of environmental monitoring sites which are a life of mine asset. These sites will be rehabilitated to appropriate standards following cessation of mining.

Stream Pool/Rock Bar Remediation

Pools A, B, C, E, F, G, G1, H and I on the Waratah Rivulet are situated in the completed mining area (i.e. overlying Longwalls 1 to 13) between Flat Rock Swamp and the tailgate of Longwall 20 (Figure 1). Pool water level monitoring of Pools A, B, C, E, F, G, G1, H and I are shown on Chart 1. As a result of previous mining, the water levels in pools upstream of Flat Rock Crossing (i.e. Pools A to G) have been impacted by mine subsidence.



METROPOLITAN COAL - ENVIRONMENTAL MONITORING SUMMARY

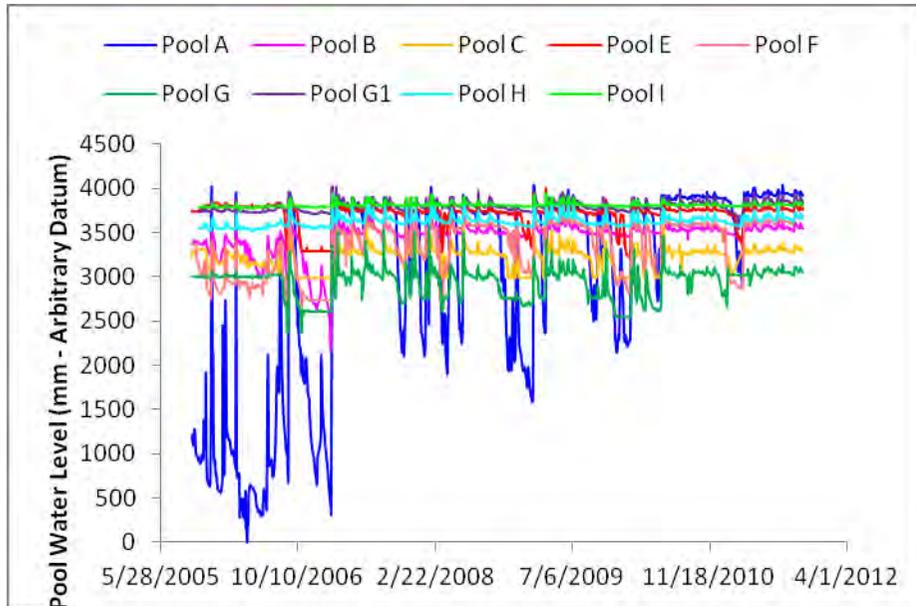


Chart 1 Pool Water Levels in Pools A, B, C, E, F, G, G1, H and I

Stream remediation activities have commenced at Pools A and F on the Waratah Rivulet. The rock bars at Pools A and F are considered to largely control the pools located upstream of these rock bars. As a result, Metropolitan Coal anticipates that the restoration of surface flow and pool holding capacity at Pools A and F will restore the surface flow and pool holding capacity of pools between Flat Rock Swamp and Pool F. Metropolitan Coal will assess whether stream remediation is required at any additional pools/rock bars between Flat Rock Swamp and Pool F once stream remediation activities at Pools A and F have been completed. Metropolitan Coal will restore surface flow and pool holding capacity at Pools A to G as soon as reasonably practicable.

Pool G1 temporarily fell below its cease to flow level consistent with the predictions of the Project Assessment and that authorised by the Project Approval. As described in the Rehabilitation Management Plan, stream remediation activities will commence at Pools G/G1 following completion of remediation activities at Pool F.

Pool water level monitoring data is available for pools further downstream of Flat Rock Crossing (Pools H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V and W), however cease to flow levels are in the process of being surveyed for all pools except Pools P, R and S.

The recorded pool water level response is consistent with natural pool behaviour of pools. The recorded pool water level responses in these downstream pools during low flow periods show the effects of daily temperature fluctuations (refer to Chart 53 for Pool P) but are otherwise consistent with natural pool behaviour and do not exhibit the rapid decline in pool water level observed in pools further upstream which are known to have been affected by subsidence. Pools downstream of Flat Rock Crossing have always been overflowing when observed by Metropolitan Coal personnel during the review period.

Metropolitan Coal is in the process of upgrading the pool water level meter instrumentation in order to remove the effects of daily temperature fluctuations.

Remediation of Pools A and F has been ongoing over the review period. The monitored data show a trend of longer periods of sustained rock bar overflow in both Pools A and F. It is proposed to conduct a formal assessment of recession rates following the completion of remediation works.

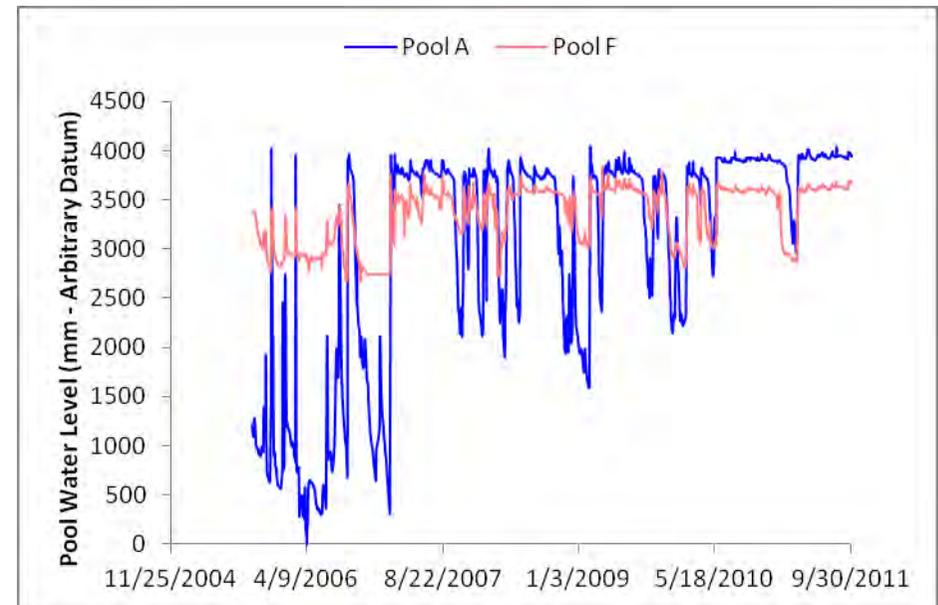


Chart 2 Pool Water Levels in Pools A and F

METROPOLITAN COAL - ENVIRONMENTAL MONITORING SUMMARY

Stream remediation activities have commenced at Pools A and F on the Waratah Rivulet in accordance with approvals obtained from the SCA under Part 5 of the EP&A Act. An inspection and reporting system has been used to check that suitable environmental controls are in place and working effectively. Water quality monitoring is also conducted prior to the commencement of works and during grouting activities.

During the review period, stream remediation activities have been conducted without any environmental incidents or impacts to the water quality in the Waratah Rivulet.