

INTRODUCTION

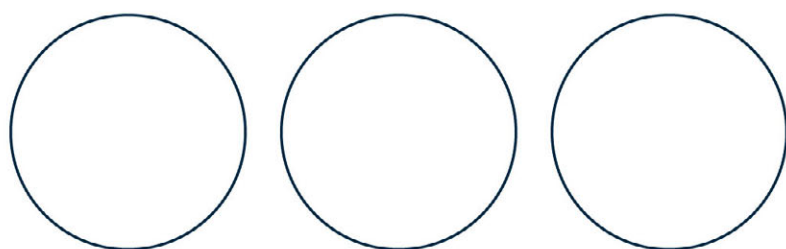


TABLE OF CONTENTS

1	INTRODUCTION	1 - 1
1.1	BACKGROUND.....	1-1
1.2	THE PROPONENT.....	1-2
1.3	PROJECT NEED AND OBJECTIVES	1-2
1.3.1	Project Need.....	1-2
1.3.2	Project Objectives	1-3
1.4	EIS DOCUMENT	1-3
1.4.1	Purpose	1-3
1.4.2	Structure	1-4
1.4.3	How to Read the EIS	1-4
1.4.4	EIS Submissions	1-5

LIST OF FIGURES

Figure 1-1	Location Plan
Figure 1-2	Layout Plan

1 INTRODUCTION

This section provides an introduction to the Environmental Impact Statement (EIS). It includes a discussion of the background of the Ensham Central Project, project proponent, project need and objectives, and explanation of the EIS document.

1.1 BACKGROUND

Ensham Mine is a large-scale open cut mine, located approximately 40 km east of Emerald in Central Queensland (Figure 1-1). The mine commenced production in 1993. Ensham Mine produces predominantly thermal coal for export and domestic markets. The mine produced approximately 8 million tonnes of product coal in calendar year 2005 and has a current production capacity of up to 12 million tonnes per annum (Mtpa). At a production rate of 12 Mtpa, the current Ensham Mine has an anticipated remaining life of 11 years.

The current mining operations include the Ensham mining area and Yongala mining area. These comprise three adjoining mining leases, Ensham (ML 7459), White Hill (ML70326) and Yongala (ML 70049), and an infrastructure lease (ML 7460) (Figure 1-2).

The Ensham Central Project (the project) involves the following components:

- Gaining access to additional open cut coal resources. The open cut mining operations that form part of the Ensham Central Project are shown on Figure 1-2 and include:
 - Mining to the west of the current Ensham mining lease, in an area that will form part of a new mining lease; and
 - Mining in the central floodplain area of the current Ensham mining lease. The environmental impact of mining in this area has not previously been subject to detailed assessment. Therefore the impact assessment is included in this EIS document.
- Development of a new underground longwall mine, to the west of the limit of economic open cut mining (Figure 1-2).
- Construction of new underground mine infrastructure, a wash plant and upgrading of existing open cut mine facilities (Figure 1-2).

The entire project site is located within freehold land owned by the proponent. The project site is largely cleared and is used for grazing and cropping. The Nogoia River and its floodplain traverse the project site. The project site is surrounded by agricultural land, used for grazing and cropping, and there are a number of privately owned residences on neighbouring properties.

The project involves mining of approximately 62 million tonnes of open cut coal resources and approximately 113 million tonnes of underground coal resources.

Gaining access to the project's open cut resources will extend the life of the existing Ensham open cut mine by approximately six years (extending the remaining mine life from 11 years to 17 years), dependent on the rate of production. The project will not change the maximum production capacity (12 Mtpa) of the open cut mine. The new underground longwall mine will have a production rate of up to approximately 8 Mtpa of product coal, resulting in total mine production of up to 20 Mtpa. Subject to approval, the project is scheduled to commence 1st January 2007. The project and the current approved operations would form a single integrated mining operation.

The Environmental Protection Agency (EPA) approved the application to prepare a voluntary Environmental Impact Statement (EIS) for the project in November 2004. Terms of Reference

(TOR) for the EIS were published by the EPA in April 2005. This EIS addresses the TOR and supports applications for mining leases, an amendment to the existing Environmental Authority (mining activities) and other approvals required for the project described in this EIS.

An integrated multi-disciplined approach has been adopted in the development of the project involving substantial contributions from:

- A thorough program of stakeholder consultation, which commenced in September 2004, to identify and address issues of concern to government agencies and the community;
- Involvement of environmental specialists in the planning of all aspects of the project to ensure that environmental constraints were identified and environmental impacts are minimised; and
- Detailed engineering assessment and appraisal of the project and its various options to ensure maximum economic benefit and efficient resource recovery.

1.2 THE PROPONENT

The project proponent is the Ensham Joint Venture Parties (EJVP). The EJVP consists of: Bligh Coal Ltd (47.5%), Idemitsu Queensland Pty Ltd (37.5%), J Power Australia Pty Ltd (10%) and LG International (Australia) Pty Ltd (5.0%). Ensham Resources Pty Ltd (Ensham Resources) is the operator of the joint venture.

1.3 PROJECT NEED AND OBJECTIVES

1.3.1 Project Need

The project forms part of the proponent's broader vision to become one of Australia's largest thermal coal exporters. This vision, known as the "20/20 Vision", is for the proponent to become a sustainably competitive producer, contributing 20 million tonnes per annum of thermal and semi-soft coal to world markets for at least 20 years. The development of the project will also provide substantial economic and social benefits to the local region and the state of Queensland.

The Ensham Mine has been in operation since 1993 during which time coal has been extracted by open cut methods along the eastern extremity of the resource. As the mine has matured from small scale early beginnings so have the levels of production and employment. In 2005 the proponent produced its 50 millionth tonne during a year where over eight million tonnes were exported and approximately 600 people maintained full time employment at the site.

The resource dips steadily to the west at 10 degrees. As the mine has moved to the west, the depth of cover has increased and therefore the cost of overburden removal has increased. The remaining areas of economic coal within the resource are dominated by coal seams that lie directly beneath the floodplain of the Nogoia River.

In order for the proponent to continue to remain economically viable in the future, and continue to be a significant contributor to the state's economy, it is necessary to access the coal within the floodplain. To do so the proponent proposes to utilise both open cut and underground means of extraction integrated with an effective long term rehabilitation program.

The open cut mining strategy for the project requires integration with existing approved open cut operations in order to enable mining within the Nogoia River floodplain. The way in which the project would be integrated with the existing open cut operation is discussed in detail in Section 3 – The Proposal. The current open cut mining operations are serviced by substantial existing infrastructure, mining equipment and a highly skilled workforce that will need to be

decommissioned and demobilised at the cessation of open cut mining. It will not be feasible to economically or responsibly mine the project open cut resource as a stand alone operation, once the existing open cut operations have been decommissioned.

The proponent has substantial undeveloped coal resources suited to underground mining. The project's new underground mine is proposed in order to efficiently develop and utilise the proponent's coal resources and sustain high rates of competitive production at the mine, consistent with the proponent's vision, described above.

1.3.2 Project Objectives

The key objectives of the project are to:

- extend the life of the existing open cut mining operations by approximately six years;
- develop a new high capacity underground mine;
- provide a reliable high quality supply of thermal and semi-soft coal for export and domestic markets;
- maximise the socio-economic benefits of the proponent's coal resource for the local region and the state of Queensland;
- maximise the responsible utilisation of the coal resource taking environmental impacts into account; and
- support sustainable development of the Central Highlands region.

1.4 EIS DOCUMENT

1.4.1 Purpose

This EIS has been prepared to fulfil the requirements of the *Environmental Protection Act 1994 (EP Act)*, the TOR for the EIS and the requirements of relevant government agencies. It also addresses issues that were raised by the community.

A copy of the TOR for the EIS is included in *Appendix L* and *Appendix K* is a table indicating the section of the EIS where each term has been addressed.

The EIS addresses the additional environmental management requirements of the project and will support an application to the EPA for amendment of the existing Ensham Mine Environmental Authority. The EIS will also support applications to the Queensland Department of Natural Resources, Mines and Water for new mining leases and other approvals required.

The EIS document:

- provides decision-makers, stakeholders and the public with an understanding of the project for their information and assessment;
- discusses the need for, and alternatives to, the project;
- describes and assesses potential adverse and beneficial environmental, social and economic impacts of the project;
- provides performance criteria to be met;
- provides management, monitoring and control measures to be implemented to mitigate all adverse impacts of the project;
- proposes an environmental management plan for the project.

1.4.2 Structure

The EIS document consists of four volumes. The Main Volume (Volume 1) addresses all areas of the project environmental impact assessment. For any environmental issues where detailed specialist technical reports were produced, Volume 1 contains a summary of these reports. An Executive Summary of the EIS has been prepared and is available as a stand alone document.

Volume 1 is structured as follows:

Section 1	Introduction	Section 14	Noise
Section 2	Regulatory Framework	Section 15	Blasting
Section 3	The Proposal	Section 16	Ecology
Section 4	Consultation	Section 17	Cultural Heritage
Section 5	Climate	Section 18	Scenic Values
Section 6	Land Use	Section 19	Socio-Economics
Section 7	Rehabilitation	Section 20	Health & Safety
Section 8	Waste & Land Contamination	Section 21	Environmental Management Plan
Section 9	Transport	Section 22	References
Section 10	Groundwater Resources	Section 23	Glossary
Section 11	Mine Water Management	Section 24	List of Abbreviations
Section 12	Surface Water	Section 25	EIS Study Team
Section 13	Air Quality		

Full copies of all detailed specialist technical reports are provided in Volumes 2, 3 and 4, as follows:

Volume 2

Appendix A	Geochemical Characterisation of Overburden & Rejects
Appendix B	Terrain, Soils & Land Capability
Appendix C	Groundwater

Volume 3

Appendix D	Surface Water
Appendix E	Nogoa River Audit

Volume 4

Appendix F	Air Quality
Appendix G	Noise
Appendix H	Blasting
Appendix I	Ecology
Appendix J	Social Assessment
Appendix K	Guide to Terms of Reference
Appendix L	EIS Terms of Reference

1.4.3 How to Read the EIS

If you are interested in all aspects of the project, then it is suggested that you read the entire document.

However, if you are interested in specific issues, it is suggested that you familiarise yourself with the proposal by reading the project description in Section 3 – The Proposal. This section describes the proposed mining operations including site and surrounds, open cut and underground mining, mine infrastructure, and interactions with the existing Ensham mining operations.

After familiarising yourself with the project, refer to the Table of Contents, which will direct you to sections of your interest. For more detailed technical assessments, refer to the technical reports in Volume 2.

For example, if you are interested in air quality impacts, you could adopt the following course of reading:

- First, familiarise yourself with the project by reading Section 3 – The Proposal.
- Second, refer to the Table of Contents and note the location of the air quality study which is located in Section 13 – Air Quality.
- Finally, refer to the *Air Quality Assessment* in *Appendix F*, Volume 2 for detailed technical information on air quality impacts.

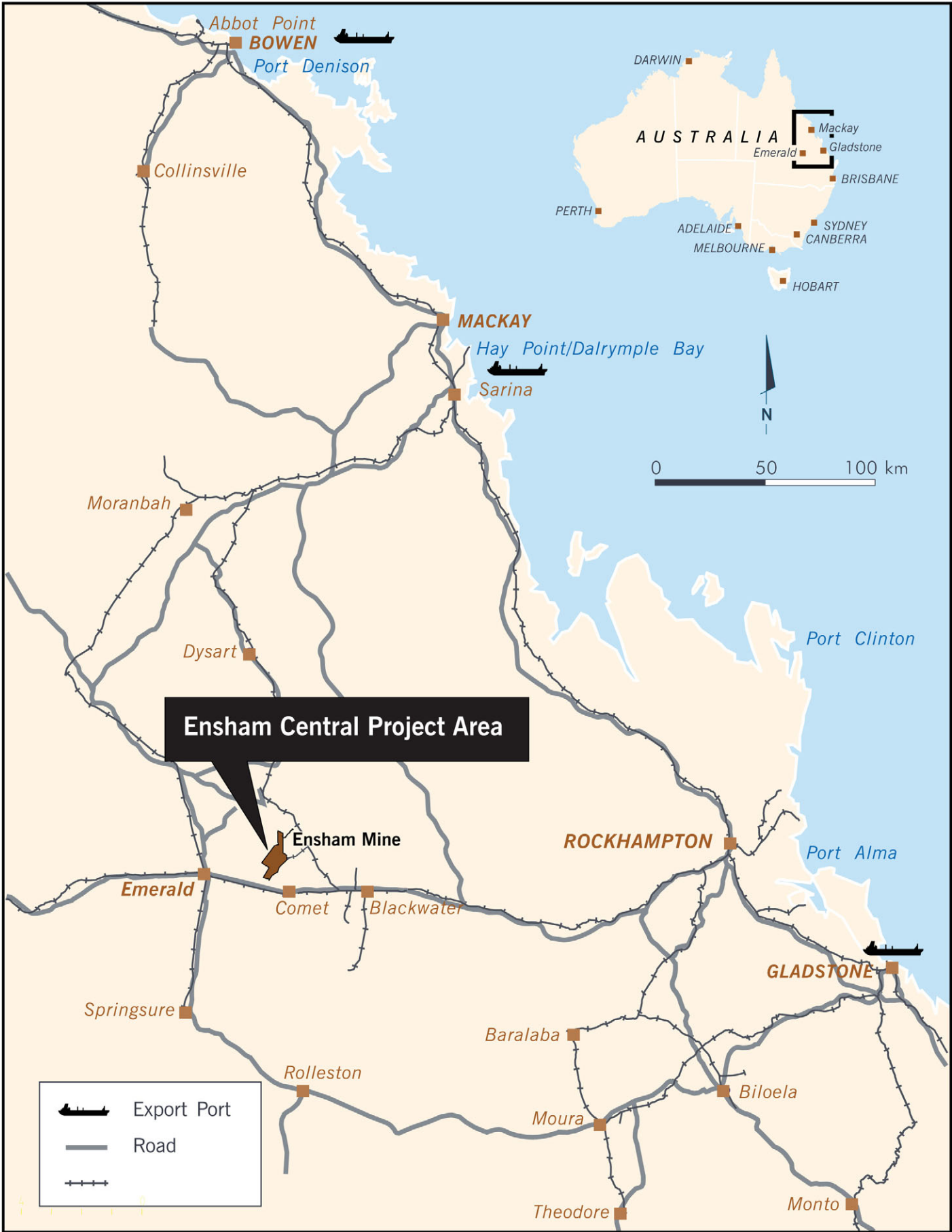
1.4.4 EIS Submissions

Section 2.5 – Regulatory Process describes the key steps in the EIS process for the project. As described in this section, government agencies and the public are invited to make submissions to the EPA during the EIS public exhibition period. EIS comments and submissions must be made in writing and sent to the EPA within the public exhibition period, as advertised in the public notice about the EIS.

All submissions regarding this EIS should be addressed to:

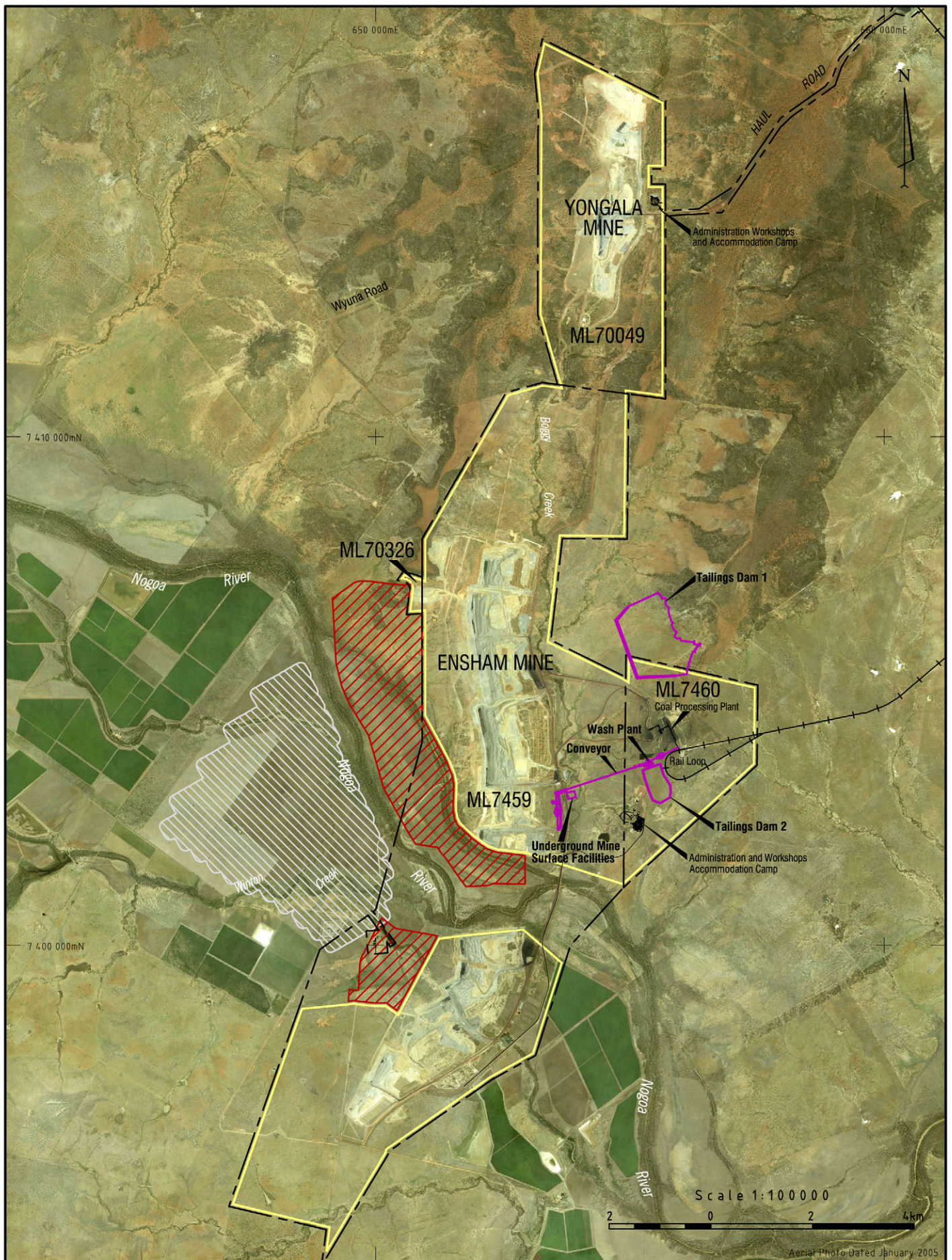
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FIGURES



ENSHAM CENTRAL PROJECT

Location Plan



ENSHAM CENTRAL PROJECT

- Mining Lease
- Current Approved Opencut Mining Areas
- ▨ Project Open Cut Mining Area
- ▨ Project Underground Mining Area
- Project Infrastructure

Layout Plan