

TRANSITIONAL ENVIRONMENTAL PROGRAM

Recent weather events throughout Central Queensland resulted in more than 200mm of rainfall across Ensham's mine site.

While our upgraded flood protection levees performed well, this weather event caused significant volumes of water to be captured in our mining pits. As a result, we are unable to access the coal stock within these pits and Ensham's mining operations remain at a standstill.

Additionally, with the Nogoa River at a level very close to the January 2008 flood peak, it is not possible to safely transfer this water across the river to our remaining long-term storage on-site.

As a result, we have applied to the Department of Environment and Resource Management (DERM) for a Transitional Environmental Program (TEP) to authorise the controlled release of limited volumes of water – also known as dewatering – from our mining pits.

The objective of the TEP is to ensure the mine can safely recommence operations and that dewatering activities can be conducted in a manner that does not harm the environment.

Water quality

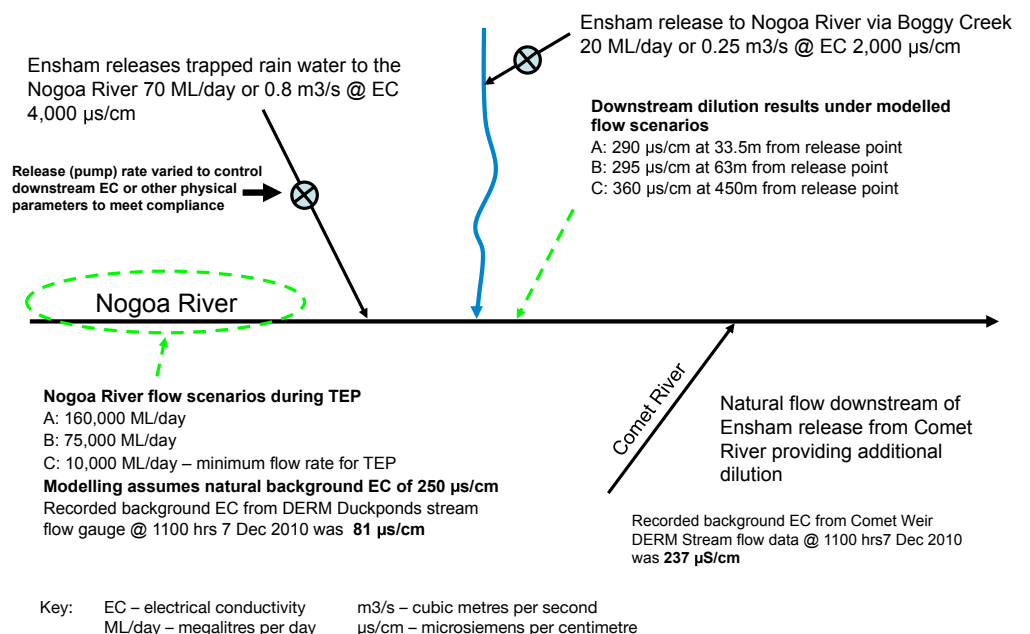
The dewatering activities proposed in the TEP will be conducted in a manner that generally meets the discharge conditions outlined in our current Environmental Authority (EA).

The water quality limits applicable to releases of water under the TEP are proposed to be consistent with the limits of Ensham Mine's current EA, with the exception of electrical conductivity and suspended solids.

While higher end of pipe limits are proposed for these parameters, a higher minimum natural flow is also proposed to ensure adequate dilution and protection of downstream water quality.

As part of our application, we have undertaken downstream water quality management modelling to ensure there will be no risk to the downstream domestic water supply and that water quality remains well within the *Australian Drinking Water Guidelines (2004)*.

DOWNSTREAM WATER QUALITY MANAGEMENT MODEL SCHEMATIC



The diagram provides an overview of the water quality outcomes of the proposed dewatering activities.

Water quality will be closely monitored in accordance with the new DERM model water conditions, and pit water will not be released if the TEP limits will be exceeded. It is anticipated that dewatering activities will take approximately four weeks to complete.

TEP Conditions

The conditions of this proposed TEP are significantly different to those authorised for the dewatering that took place in 2008, including:

- significant minimum flow requirement in the Nogoa River at all times, providing enhanced dilution
- dewatering to occur over a limited timeframe – up to four weeks – while the Nogoa River is experiencing high flows
- reduced release volumes of 100ML/day compared to 2000ML/day in 2008
- maximum release quantity of 2500ML compared to 140,000ML in 2008.

Importantly, the TEP will also provide for the cessation of dewatering with enough time to allow

for a significant volume of natural flow to continue through the system, ensuring there is no impact on downstream water quality.

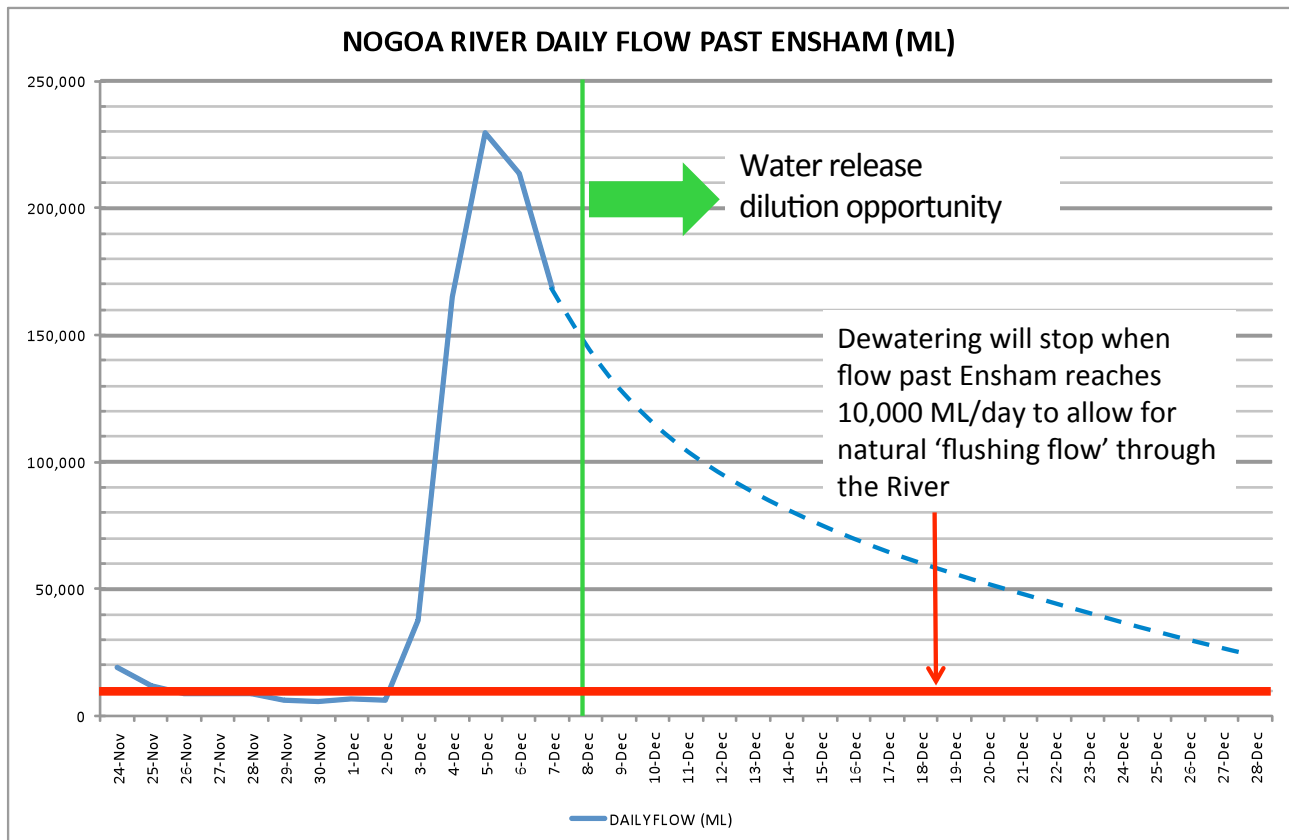
In addition, Ensham will provide all monitoring data on our website.

Where to from here?

Ensham has commenced consultation with key stakeholders regarding our TEP application, including the Capricorn Conservation Council, Fitzroy Basin Association, Local Council's, immediate downstream landholders and members of the Fitzroy Water Quality Advisory Group.

More information

If you would like more information please contact Colin Moffatt or Nicole Buchanski at Ensham Resources.



Ensham Resources Pty Limited

GPO 814, Brisbane QLD 4001

Ph: +61 7 3221 1201

Fax: +61 7 3221 1225

Email: enquiries@ensham.com.au

Website: www.ensham.com.au