



Northern Energy Corporation Limited

COLTON MINE PROJECT

WHY ARE WE HERE?

- Through Colton Coal, Northern Energy Corporation Limited (NEC) has applied for a Mining Lease to develop a small mine at Colton on a 1023 ha site, north of the city of Maryborough
- The proposed mine site is located in the immediate vicinity of a historical mining area which operated for over a century until the 1990's
- NEC proposes to mine approximately five million tonnes of coking coal over a period of 8-10 years
- NEC will mine and export coking coal, an essential ingredient in steel making
- The Environmental Management Plan (EMP) is expected to be submitted to the Queensland Department of Environmental Resources Management (DERM) in April 2010
- The Initial Advice Statement (IAS) has been submitted as part of the Environmental Authority (EA) application process

COMMUNITY BENEFITS

- Approximately 100 full time equivalent jobs in the region
- Jobs for plant operators, truck drivers, electricians, fixed and mobile plant maintenance personnel, surveyors, engineers, property maintenance workers and administrative workers
- Experience and training undertaken within the project will enable local people to acquire skills which can be applied in future employment
- Annual expenditure of approximately \$20M into the Maryborough region will include wages, goods and local services

COMMUNITY INFORMATION SESSION

- Purpose
 - Inform the local community of the details of the proposed Colton Mine Project
 - Identify any community issues relating to the proposal
 - Provide information directly- one on one

- Northern Energy Corporation will
 - Report back directly to residents on its responses to any specific enquiries
 - Provide a Community Engagement Report to the Queensland Government and Fraser Coast Regional Council

FEEDBACK & ENQUIRIES

Feedback and enquiries can be registered by contacting our Project Information Line or by sending us an email:

- **Call:** 1800 266 296
- **Email:** coltonmineinfo@northernenergy.com.au
- **Website:**
<http://www.northernenergy.com.au/projects/maryborough/>
- **Postal Address:** Colton Mine Project, PO Box 5283, Brisbane Qld 4001

COMMUNICATION INFORMATION SESSION TEAM



Northern Energy Corporation Limited

Project Manager

Mark Turner

Keith Barker

Kristof McDonald

Scalybark Pty Ltd

Project Consultant

Peter Isles

Benoni Pty Ltd

Project Consultant

Peter Thorsen



THREE PLUS

Reputation + Brand + Relationships

Stakeholder Engagement and Community Consultation

Noel Harvey

Su Shetty

COAL- THE REGION'S HISTORICAL PAST

- Coal mining in the Burrum Coal Fields commenced soon after its discovery on the southern bank of the Burrum River in 1863 and continued right up until the late 1990's
- The rapid growth of coal mining fostered opening up of the Burrum district and the towns of Howard and Torbanlea from the Burrum Coal Fields
- Coal from the Burrum Fields was used extensively throughout Queensland to refuel steam trains, supply coastal shipping at the Port of Maryborough, and for local foundries and engineering firms including Walkers
- The original Maryborough City Council power house located in Kent Street near Elizabeth Park Rose Gardens was supplied with Burrum coal

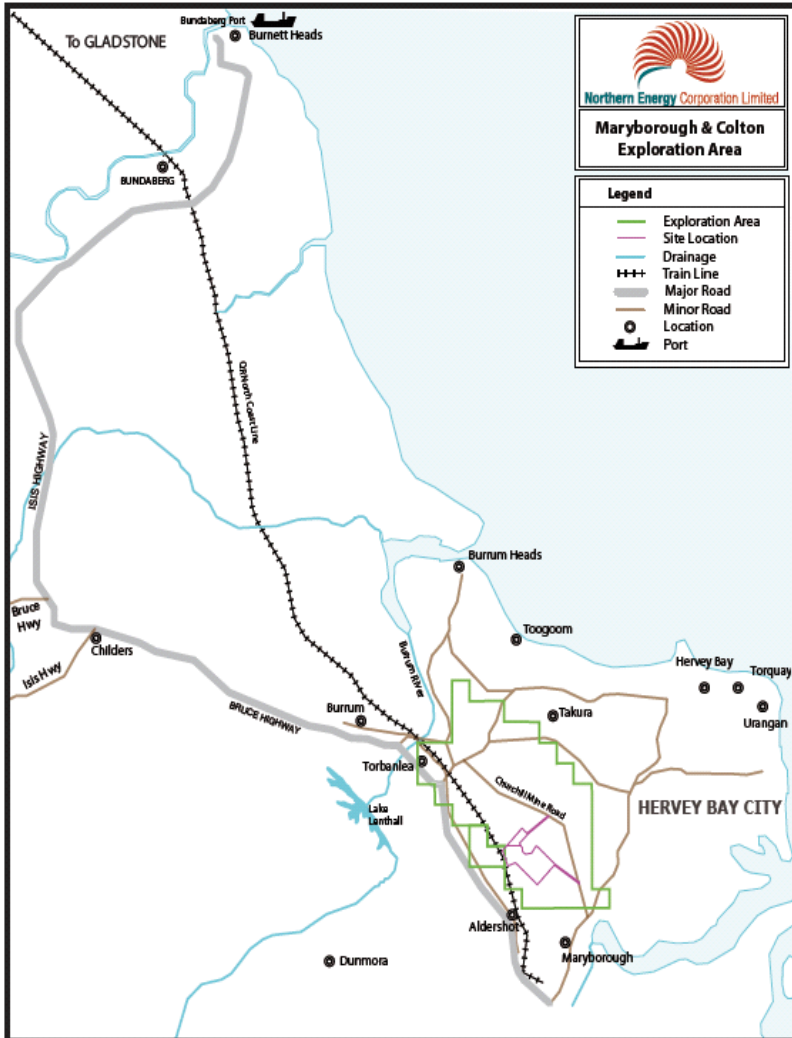
COAL- THE REGION'S HISTORICAL PAST

- Coal mining stimulated infrastructure development throughout the region including the Howard Power Station (1951 to 1980), the Queensland Smelting Company at Aldershot (1893) and shipping wharves located on the Mary River
- Demand for high quality coal continued well into the 20th Century and led to an export wharf being constructed at Hervey Bay
- The construction of the Urangan Pier also benefited the region's development more widely
- The Burrum Coalfields saw more than 94 shafts and tunnels developed in its 130 year history. It employed more than 400 people at its peak and stimulated the wider development of the Burrum district.

COAL- THE REGION'S HISTORICAL PAST

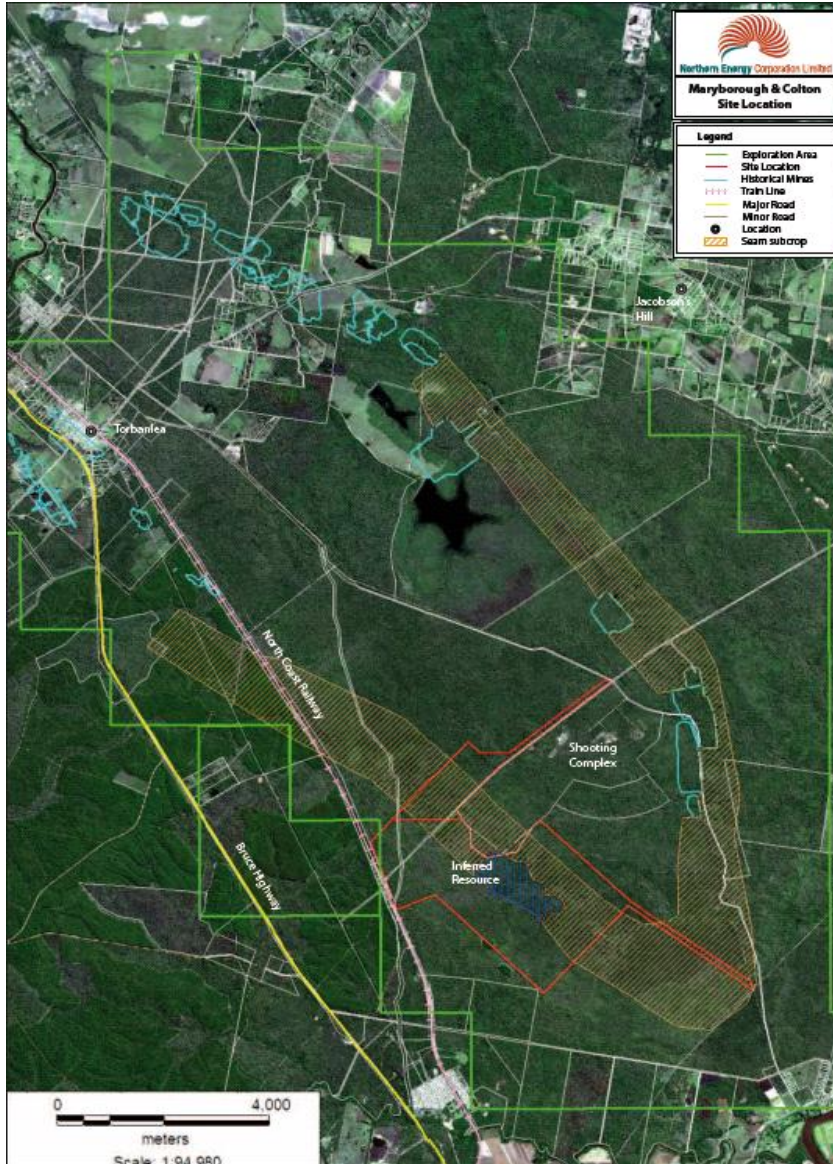
- Most recently, the historic deposits of high quality coking coal essential to steel making have been rediscovered and are proposed to again support the region's economy and community
- The last pick and shovel coal mine, Burgowan No 13, closed in 1976 as export coal production in the West Moreton and Central Queensland Coalfield converted to large scale thermal coal production by more efficient open cut mining methods

THE PROPOSAL & SITE LOCATION



- 1,023 ha of identified extraction area contained within the Mining Lease area
- Application to mine approximately five million tonnes of coking coal over an approximate 8-10 year period
- Subject to the grant of the Mining Lease and Environmental Authority for the Project, the target mine construction commencement date is early 2011
- Active operating area will be approximately 350ha at any one time
- Crushing, screening and washing will be undertaken on site to separate coal from waste materials

SITE LOCATION & LAYOUT



- Approximately 160 million tonnes of coal is exported from Queensland each year
- NEC proposes to export half a million (0.5M) Tonnes
- The mining operation will be located at least 3.0 km from the nearest residence at Aldershot
- Product coal will be transported by rail
- Site clearing for preexcavation and site construction activities will be undertaken only during daylight hours
- Seven day week mining operation will be required to meet the work hours and production levels needed to meet demand requirements

SITE MANAGEMENT

- **Dust Management**

- The dust emission levels allowed and the monitoring procedures required will comply with conditions applied by DERM
- Air quality measurements and modelling have been undertaken to predict the impact of dust levels and emissions during project operation
- NEC will meet work site occupational health and safety conditions to ensure the well being of employees who would be most exposed to any dust
- A site-based dust management plan will be implemented including ongoing monitoring during operation
- The small amount of coal dust that will be generated on site is non-toxic
- Coal dust suppression will include regular watering of excavation areas, excavated coal, coal stockpile areas and handling areas
- The processing of coal will include washing the coal with water
- All coal leaving the site in coal wagons will be dampened to seal its top surface
- Typically, one train per day will leave the site for the Port of Gladstone

SITE MANAGEMENT

- **Noise Management**

- The noise emission levels and monitoring procedures will comply with conditions applied by DERM
- Background environmental noise loggers have been deployed so as to establish a basis for monitoring noise levels
- Ongoing monitoring will continue during operations
- Practical measures will include noise attenuators on plant equipment and visual warning system devices as opposed to sound devices
- The noise levels will be in line with other similar mining operations close to residential areas in Jeebropilly and Acland
- The Environmental Authority will include a Complaint Management System to provide for the remedy of any reported incidents
- During the Colton Mine operations, noise levels will be restricted to 40 dB(A) between 10 pm and 7 am, 45 dB(A) between 7 pm and 10 pm and 50 dB(A) between 7 am and 7 pm
- Site clearing for pre-excavation and stockpiling will be undertaken only during daylight hours

ENVIRONMENT

- **Vegetation**

- All vegetation within extraction areas is classified independently as “Not of Concern” regional ecosystem
- Land disturbance will be confined to excavation areas, spoil stockpile areas, dams, internal roads, coal handling/ preparation plant and administration and maintenance areas
- At the end of the project, NEC will be required to leave a stable landform meeting the environmental conditions established under the Environmental Authority
- The majority of disturbed land will be returned to a vegetation and habitat condition similar to the preexisting condition where appropriate
- To the extent allowed by Regulators, NEC is willing to work with the local community and environment groups and local and state governments on a longer term post mining development plan for long-term uses for the site which benefit the local economy, community and environment

ENVIRONMENT

- **Water**

- The water management and monitoring procedures will comply with conditions applied by DERM
- The Project's water supply requirement for mining and processing activities including water for dust suppression will be in the range 250–300 Mega litres (ML) per annum
- The Project will generate, by a combination of groundwater and surface rain water, initially at least 300 MLpa, sufficient water to meet the Project's immediate production needs
- Excess water, primarily rain water that falls onto the site, is expected to be in the range of 1,000 to 1,500 MLpa
- Options for managing excess water are currently being investigated

ENVIRONMENT

- **Water Table**

- The mine excavation will be deeper than the top of the natural groundwater table
- Extensive sampling undertaken by Environmental Consultants for NEC demonstrates that water intercepted through mining excavation will be non toxic, with salinity levels lower than the Mary River
- Ground water will inflow into the mine pit from the surrounding area immediately around the pit excavation. This will lower the water table immediately around the pit area
- Away from the pit, the water table will remain unaffected by the mining operation
- Ground water drains naturally to the Mary River
- Minimal (if any) impact is expected on existing registered bores in the vicinity
- NEC will enter into discussions with registered bore users on a one-on-one basis if negatively impacted

COAL TRANSPORT

- Typically one train a day will transport product coal from the mine to Port of Gladstone along Queensland Rail Network's North Coast Line
- Product coal will be sprayed with water and sealant to ensure dust suppression

TRAFFIC

- Increase in road traffic due to the project will be minimal
- Road use will mostly be confined to employees travelling to and from work and service contractors and essential services to and from the site
- The very few trucks bringing in fuel and supplies will use the Bruce Highway
- Movement of heavy loads and over size plant components will occur during the site construction period of approximately five months. Management policy will control traffic during day light hours
- Heavy load movement will be in accordance with Queensland Department of Transport codes and permits to achieve maximum safety
- NEC is still investigating various options for access roads to the site but will contribute to road maintenance in the general area by agreement with the local Council

CULTURAL HERITAGE

- NEC will deal appropriately with Indigenous and European Cultural Heritage issues which may arise during site preparation and operations
- NEC respects the cultural heritage of the Traditional Owners and will develop a Cultural Heritage Management Plan (CHMP) appropriate to the Project
- NEC has maintained a dialogue with the Butchulla People regarding its activities and drilling programs
- No European Cultural Heritage issues have been identified to date
- Site assessment by NEC to date has been conducted under Queensland's Native Title Protection Conditions (NTPCs)

ABOUT NEC

- Northern Energy Corporation Limited is an ASX listed coal exploration and development company based in Brisbane, Queensland
- NEC owns a number of exploration tenements in South-East QLD, Central QLD and Northern NSW. These are known to contain both coking and thermal coals
- The company has four active projects covering the exploration tenements and is looking to progress these from initial resource identification along the project development phase towards mine production
- As a publicly listed company, Northern Energy Corporation has built and maintained shareholder value through its people, and exploration and evaluation process
- Northern Energy Corporation has approximately 2,000 shareholders, including hundreds of 'mum and dad' investors from throughout Australia, Australian institutional investors and other established Australian companies