

# SONOMA COAL PROJECT

## QUEENSLAND SONOMA PROJECT AWARDED MAJOR PROJECT STATUS

The Australian Government has awarded Major Project Facilitation (MPF) Status to the Sonoma Coal Project in recognition of the Project's North Queensland and National significance.

In announcing the decision Ian Macfarlane, Australian Minister for Industry, said "A new hard coking coal mine represents a significant investment in the Bowen region in Northern Queensland. The project brings with it tremendous local investment, small business and employment opportunities,"

The Sonoma Project is expected to employ over 200 people during the construction phase and over 100 people over the life of the mine.

"The project is intended to commence production in 2007 with outputs of 3 to 4 million tonnes a year which translates to export earnings of more than \$200 million every year for more than 15 years," said Mr Macfarlane.



"The MPF status means the national inward investment agency, *Invest Australia*, will work with the proponents to progress the project through the approvals process as well as identify programs that may assist the project."

"Through its international network, *Invest Australia*, has already been working with QCoal to identify suitable foreign investors to take a minority stake in the project and to sign an off-take agreement for the coal product," said Mr Macfarlane.

## SONOMA PROJECT CLEAR FROM WILDLIFE PRESERVATION SOCIETY CHALLENGE

The Federal Court of Australia has dismissed the action brought by the Wildlife Preservation Society against the Federal Minister for Environment & Heritage and involving the Sonoma Project.

The Wildlife Preservation Society challenged the decision of the Minister under the *Environment Protection and Biodiversity Conservation Act 1999* ("EPBC Act") that the Sonoma Project was not a controlled action. The Wildlife Preservation Society principally argued that the Minister did not consider, or did not properly consider, the adverse impacts that greenhouse gases created through the extraction, transportation and use of coal from the Sonoma Project were likely to have on matters of national environmental significance.

After considering the evidence presented by all parties the Judge found that the Ministers delegate clearly had considered the greenhouse impacts operating cumulatively with other contributors to global warming and that it was not established that the Sonoma Project will cause serious or irreversible environmental damage. The Judge commented that "the applicant's case is really based upon the assertion that greenhouse gas emission is bad, and that the Australian government should do whatever it can to stop it including, one assumes, banning new coal mines in Australia".

The Court found that none of the grounds for review made by the Society were established and that the Minister's delegate had properly considered the possibility of greenhouse gas emissions. The original finding, that the Sonoma Project is not a controlled action and does not require Commonwealth approval under the EPBC Act remains.

## CULTURAL HERITAGE MANAGEMENT

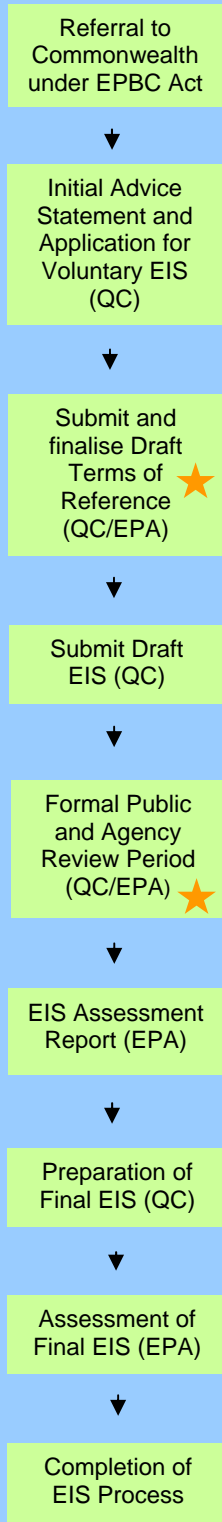
QCoal has signed an agreement with the Birri People, traditional owners of the Sonoma Mine country, in order to preserve and manage cultural heritage located on the mine site. QCoal will also implement an indigenous people's development and training policy at the Sonoma Mine.

## SONOMA PROJECT MILESTONES

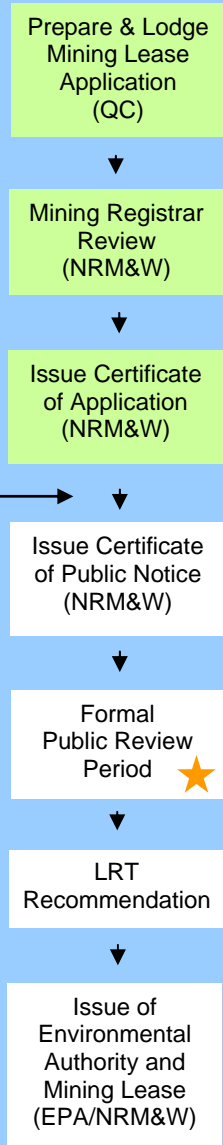
- ◆ QCoal is proud to welcome Staffan Ever as CEO and Kevin Kanamori as Vice President Marketing & Business Development to the QCoal team. Both Staffan and Kevin bring significant Marketing and Coal Industry experience to their respective roles. Staffan and Kevin will be focused on all QCoal's projects, including the Sonoma Mine.
- ◆ Access arrangements have been finalized with the Bowen Shire Council, Ergon Energy and the owners of Belmore Station for the land required for the Sonoma Mining Leases. This will allow the Sonoma Project to begin some preliminary work in advance of construction commencing.
- ◆ A number of potential customers have visited the Sonoma site and the Port of Abbot Point over the past few months. All have been impressed with the facilities at Abbot Point and the expansion plans. Many have commented that Abbot Point is one of the few coal ports in Australia to have no vessel queue. QCoal wish to thank the team at Abbot Point for accommodating our customers and providing great tours of the facilities at Abbot Point.

### The Project Approval Process

#### Environmental Impact Assessment



#### Mining Lease



Current Status →

- QC QCoal Pty Ltd
- NRM&W Department of Natural Resources, Mines & Water
- LRT Land and Resources Tribunal
- ★ Formal opportunity for Feedback
- EPA Environmental Protection Agency

All EIS documents for Public Review are available on the EPA website [www.epa.qld.gov.au](http://www.epa.qld.gov.au)

Ship Loading at the Port of Abbot Point



### WHAT IS THE PROGRESS OF THE SONOMA ENVIRONMENTAL IMPACT ASSESSMENT?

The final Environmental Impact Statement (EIS) for the Sonoma Project has been completed and lodged with the Environmental Protection Agency (EPA). The EPA has issued the final Assessment Report.

### WHAT IS THE PROGRESS OF THE SONOMA MINING LEASE APPLICATION?

QCoal is continuing the process of negotiating access agreements for the land required for the Sonoma Mining Lease Applications (MLAs). Access agreements have been reached with Bowen Shire Council, Ergon Energy and the owners of Belmore Station for the land required for the Sonoma Mine.

Mining activity will commence once the Mining Leases are granted. The Sonoma MLAs will be available for public review once the draft Environmental Authority is received from the EPA and the DNRMW issues the Certificate of Public Notice.

QCoal expects the MLAs to be available for Public Review in the third quarter of 2006.

### WILL I HAVE AN OPPORTUNITY TO REVIEW AND COMMENT ON THE MLAs?

Yes. As with the EIS, the MLA process includes an opportunity for formal review of the Sonoma MLAs. All comments submitted in writing will be considered before the final Mining Leases for the Sonoma Project are issued.

QCoal will place advertisements in local publications to alert the public once the MLA documents are available for review.

You can keep up to date on the project through the Sonoma Project web page at [www.qcoal.com.au](http://www.qcoal.com.au)

