

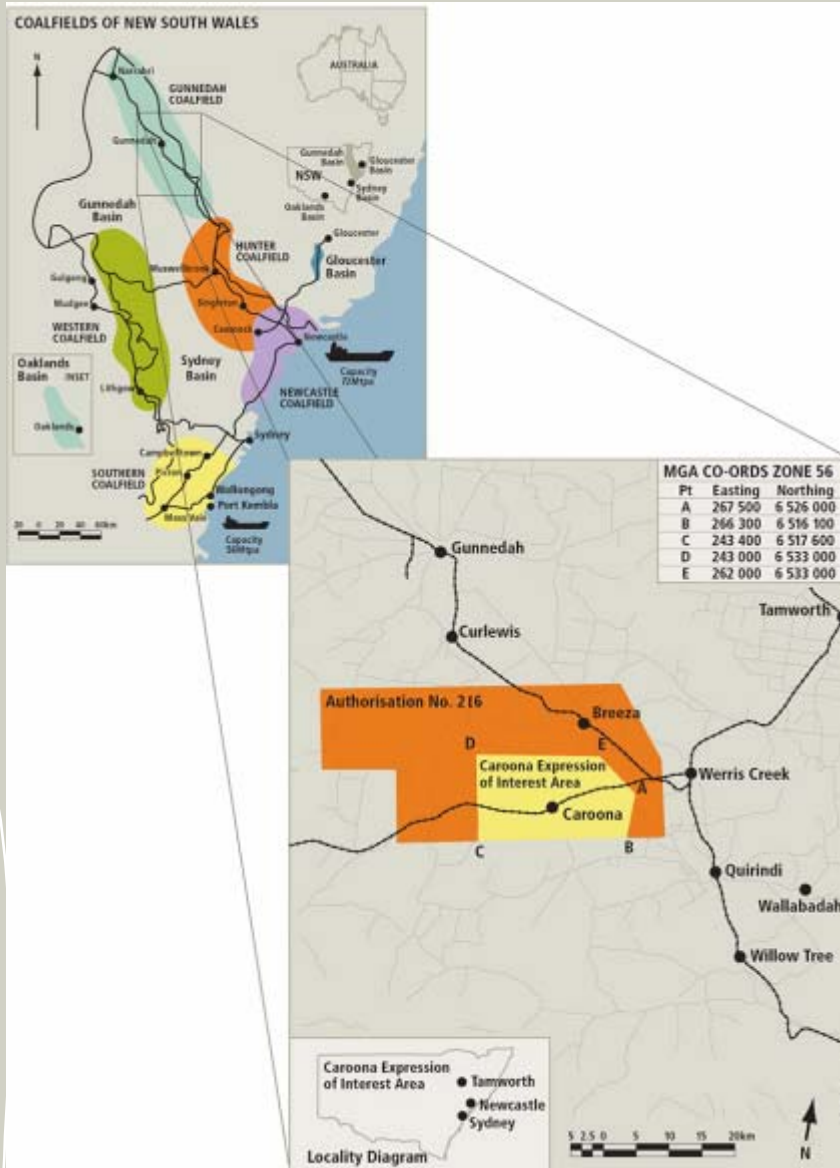
# Caroona Coal Project

Gunnedah Coal Conference

20 September 2006

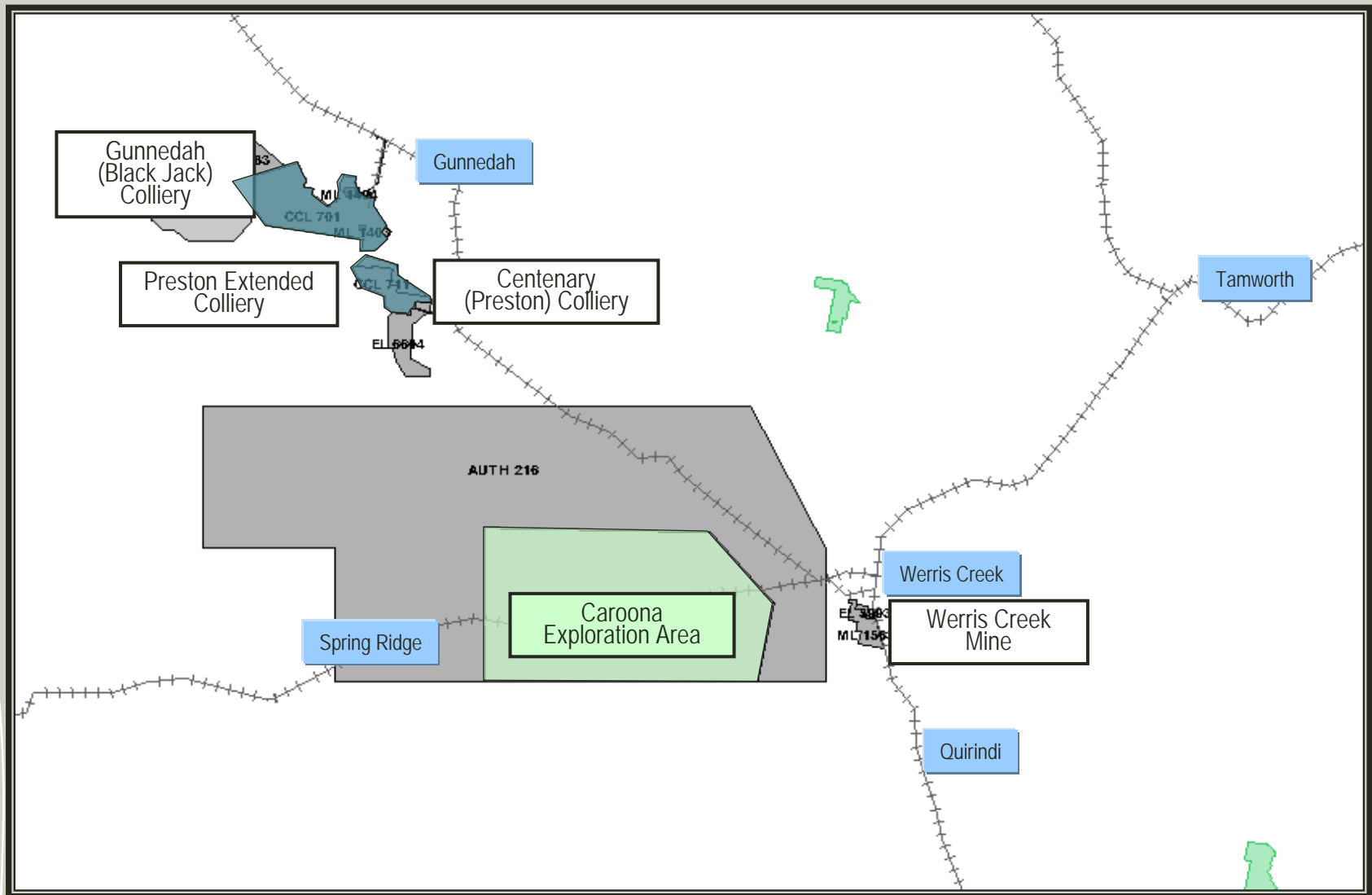


# Exploration Licence History



- Authorisation 216 was originally granted on 9 May 1980.
- Expressions of Interest sort for a portion of A216 on 1 August 2005
- EL6505 formally granted to Coal Mines Australia Limited, 100% owned by BHP Billiton.
  - On 12 April 2006.
  - Area = 344 sq. km
- The Exploration Licence was granted for 5 years
- EL6505 was transferred from Authorisation 216 (A216) held by the Dept Primary Industries.

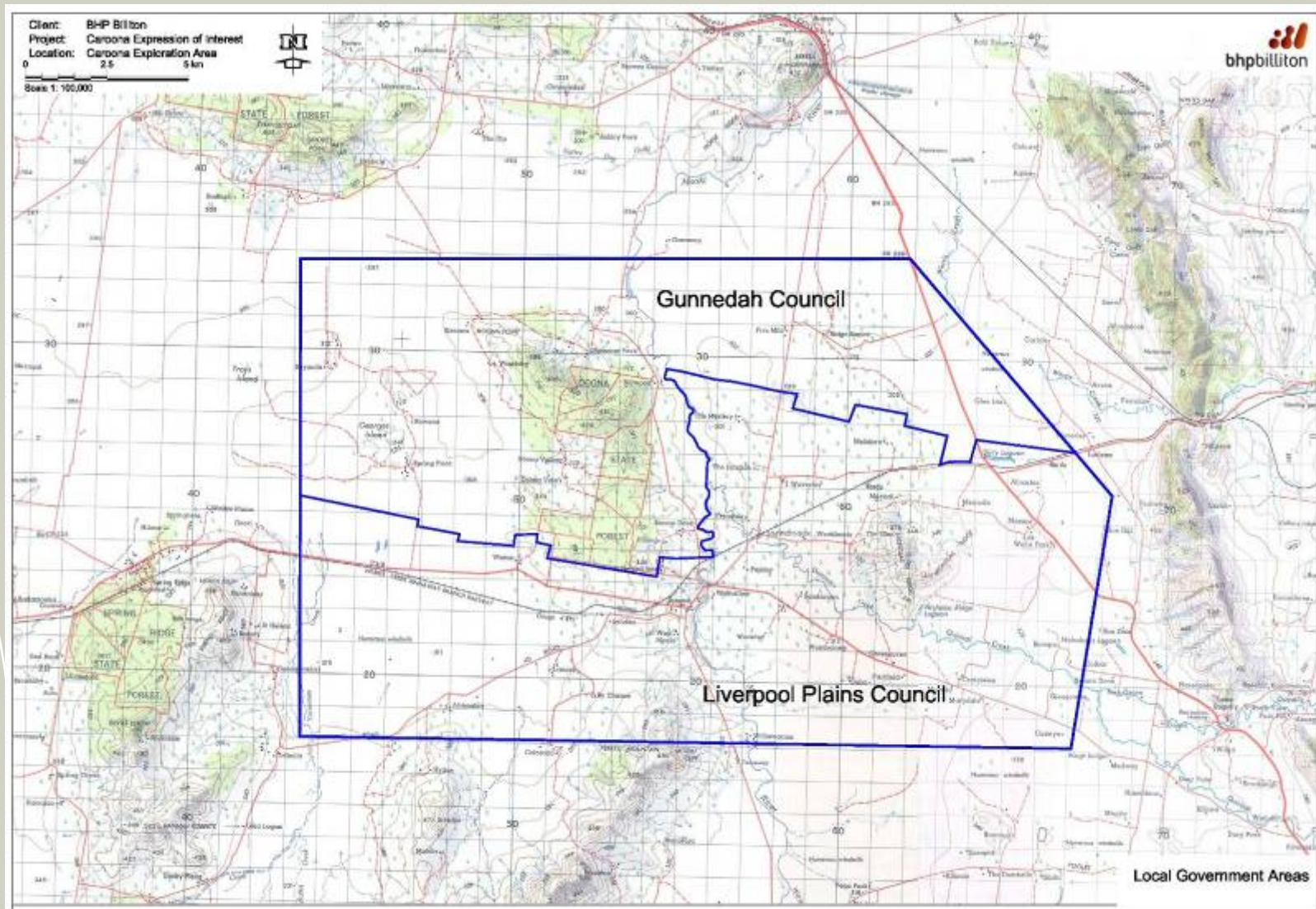
# Southern Gunnedah Basin – Caroona Coal Project



# What is an Exploration Licence?

- An exploration licence is a title granted by the NSW Government to individuals and companies who wish to explore for minerals.
- An exploration licence does not permit mining nor does it automatically follow that a licence holder will be permitted to mine in the future.
- If the exploration program identifies a deposit of an economic size and grade, the licence holder has to obtain a development consent and a mining lease before it can start mining.
- When the company makes its application for development consent it also has to submit an Environmental Impact Statement. It must cover such matters as
  - air quality,
  - noise,
  - transport,
  - flora and fauna on the site,
  - water management,
  - method of mining and rehabilitation
  - Social assessment
  - Heritage assessment both indigenous and European
  - among other studies

# Caroona Exploration Area



# Summary: Caroona – EL6505

- Defines the area
- Lists Sensitive or Exempted Areas such as National Parks
- Requires the Licence Holder to prepare an Environmental Management Plan

Cultural and Heritage	Streams and watercourses	Public Utilities, power lines, pipelines
Threatened Species	Erosion and Sediment Controls	Public and Private Property
Trees and Vegetation	Prevention and Monitoring of Pollution	Drilling procedures
Roads and Tracks	Refuse, Chemicals, Fuels and Waste materials	Maintenance of open holes
Rehabilitation	Environmental Reporting	Security

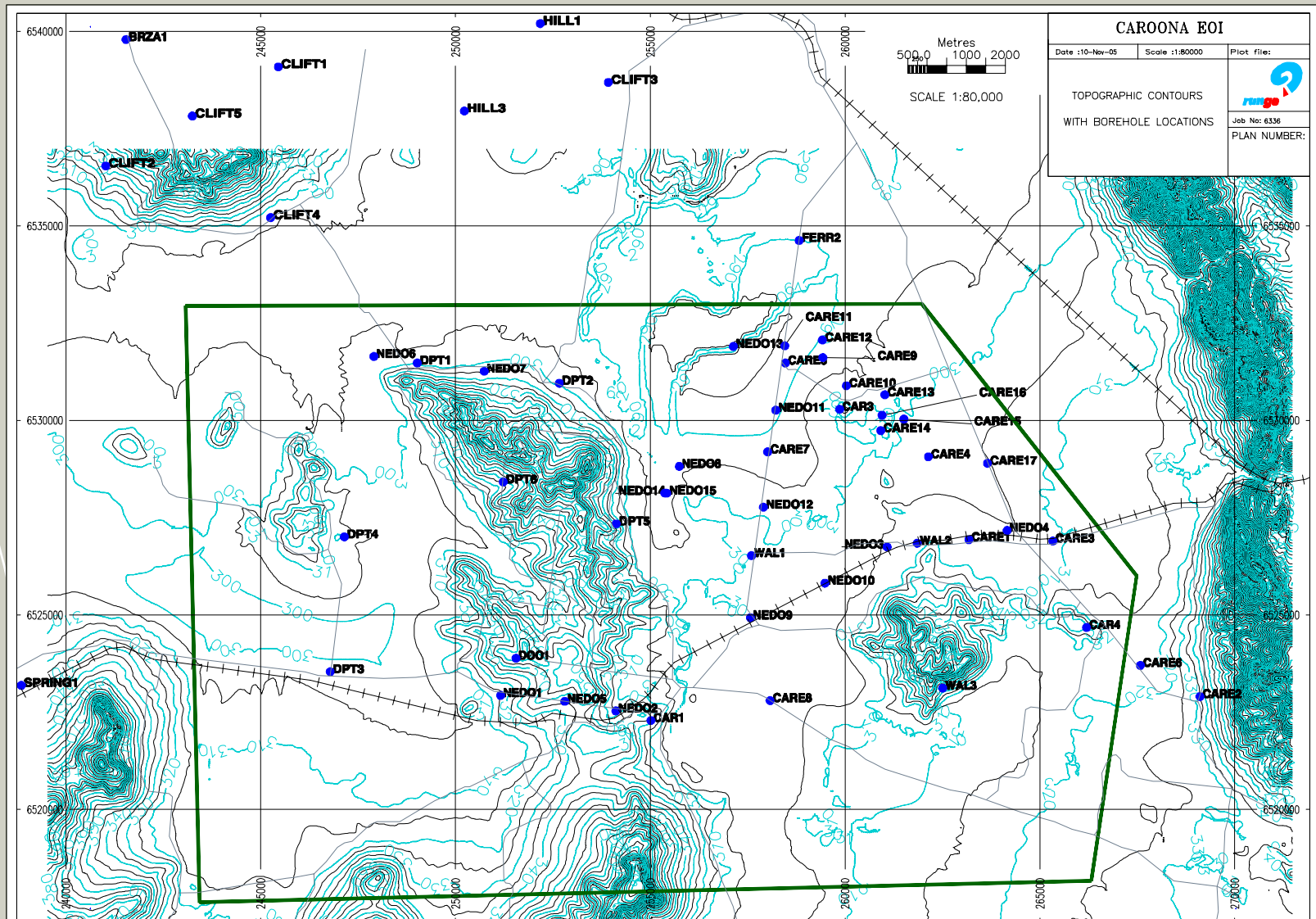
- Control of Operations, safety, core samples
- Performance and Reporting
- Special Conditions



# Caroona EL6505 – Special Conditions summary

- Obligation to meet commitments
- Alliance with ARTC to study rail upgrade, including evaluation of tunnel through Liverpool Ranges
- Investigate the potential for development of a regional power plant as part of coal utilisation studies.
- Establish a Regional Community Fund
- Establish Community Consultative Committee
- Provide completed hydrological studies to community
- Provide annual report
- Expectation to seek development in the 5 year period
- Financial Obligations
- Failure to meet commitments

# Existing Exploration Boreholes





# Caroona Coal Project - Indicative Timeframe

Key Project Stages – Fiscal Years	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4
<b>BHP Billiton Caroona Development Time Frame</b>									
EL Granted									
Concept Study									
Pre-feasibility Study									
Feasibility Study and Environmental Assessment									
BHPB Approvals									
Award Contracts and Mobilisation									
Construction									
Commencement of Production									

FY06	FY07	FY08	FY09	FY10	FY11
Concept		Pre-Feasibility		Feasibility	
Exploration Management Plans	Baseline Studies (Environmental and Social)			Detailed Engineering	
Regional Exploration		Targeted Exploration		Project Assessment	

# Community Consultation to date

- Individual landholder meetings - over 200 to date
- Landholder information session – held in May 2006
- Local Council and State member information sessions
- Community Consultative Committee established and meeting monthly
- Community information open days held in:
  - Carroona, Quirindi, Werris Creek and Gunnedah
- Two editions of community newsletters
- Freecall information line
- Carroona Coal Project email address
- Dedicated project website

# Caroona Coal Project Community Consultative Committee

<u>Chairperson</u> <b>Garry West</b>	
<u>DPI – Mineral Resources</u> <b>Julie Moloney</b>	<u>BHP Billiton</u> <b>Stephen David</b> – General Manager, Caroona Coal Project <b>Tania McShane</b> - Community Relations Co-Ordinator, Caroona Coal Project
<u>Liverpool Plains Shire Council</u> <b>Cr. Bernie Perkins</b> <b>Bob Stewart</b> (Director – Environmental & Community Services) <u>Gunnedah Shire Council</u> <b>Cr. Colleen Fuller</b> <b>Michael Silver</b> (Manager – Environment & Development)	<u>Community Representatives</u> <b>Justin Grant</b> - Caroona Coal Action Group & Landholder <b>Michael Clift</b> - Caroona Coal Action Group & Landholder <b>Tim Duddy</b> – Landholder <b>John Clements</b> – Namoi Water Users <b>Lorraine Reilly</b> - Quirindi Chamber of Commerce <b>Ray Saunders</b> - Walhollow Aboriginal Corporation <b>Hubert Smith</b> - Walhollow Elder <b>Brydee Barnett</b> - Gomilaroi People, Caroona

## Working at Carooona – What we have heard so far....

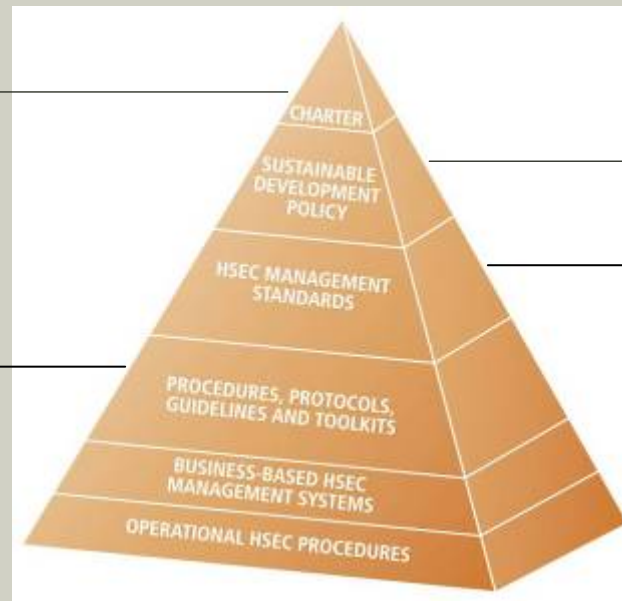
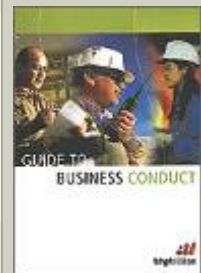
- Living with uncertainty
- Valuing existing land use and way of life
  - water security, subsidence
- Needing independent assessment
- Understanding potential benefits
- Understanding exploration and mining

# Sustainable Development

## Our approach to developing new projects

### Health, Safety, Environment and Community governance

Our HSEC management system is hierarchical – documents and systems each must meet and support requirements of those of higher levels





# What others say - External Recognition

The commitment of our Board, management and employees to the BHP Billiton Charter and Sustainable Development Policy has resulted in win-win relationships with our partners, communities, customers and investors.

The success of these relationships has been recognised through many high profile accolades:

- Business in the Community 'Company of the Year Award' (UK) – July 2005.
- Mining Sector Leader 2005 – Dow Jones Sustainability Index.
- Australian Mining Annual Prospect Awards – Coal Mine of the Year – 2005 (awarded to our Goonyella mine, Qld).
- Reconciliation Australia – Indigenous Governance Awards – 2004.
- Hunter Catchment Management Trust Award – Coal Industry Award in Environmental Management – 2004 (Mt Arthur Coal NSW, joint winner).
- Prime Minister's Awards for Excellence in Community Partnerships (Aust) – 2002, 2003 and 2005.
- Australian Financial Review Magazine Award for Corporate Partnership of the Year (Aust) – 2003.
- Banksia Environmental Foundation Award for Leadership in Sustainability in the Australian Minerals Industry – 2003.



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