

T4

TERMINAL FOUR PROJECT

PORT WARATAH COAL SERVICES

Introduction

With increasing demands for coal exports, Port Waratah Coal Services (PWCS) has commenced the evaluation of a fourth coal terminal in the Port of Newcastle. The proposed Terminal 4 (T4) Project will seek to meet the increasing overseas demand for energy, the ongoing expansion of the coal industry in the Hunter Valley, and PWCS legal obligation to clients.

PWCS has a legal requirement to ensure sufficient terminal capacity to meet the long term needs of Hunter Valley coal producers, under the Long Term Commercial Framework (LTCF) which came into effect on 1 January 2010. The LTCF was authorised by the Australian Competition and Consumer Commission and was overseen by the NSW Government to address capacity bottlenecks that have hindered the Hunter Valley coal chain over recent years.

The T4 Project is also a critical element of the long term export plan signed by the Hunter coal industry and the New South Wales Government in late 2009. Its function is to provide long-term vessel loading capacity for the Hunter Valley coal industry, once capacity at existing PWCS facilities and the new Newcastle Coal Infrastructure Group (NCIG) facility has been reached. The proposed T4 Project aims to meet the long term export demand, PWCS' legal requirement and the long term export plan.

What will the T4 Project involve?

The T4 Project Proposal will:

1. Involve the development of approximately 200ha of industrial zoned land located west of the existing PWCS Kooragang Island operations (refer to figure);
2. Include the construction of coal stockyards, rail facilities, marine side infrastructure (e.g. wharves) and shiploading facilities;

3. Increase the annual coal export throughput of the Port of Newcastle by between 60 to 100 Million tonnes per annum; and
4. Ensure sufficient terminal capacity to meet long term needs of coal producers.

What are the benefits of the Project?

The benefits of the proposed T4 Project include:

1. A multi-billion dollar investment in the future of the Hunter coal industry;
2. Generation of a large number of construction jobs, along with an increase in long-term employee positions; and
3. Beneficial re-use of a former landfill site.

PWCS has the opportunity to provide the Hunter coal industry and the NSW Government with the certainty and efficiency it needs for increasing coal exports, and assisting in minimising the current Hunter coal chain bottlenecks, adding to the economic prosperity of the region and Australia.

What is the Project Lifecycle?

The T4 Project has progressed through the Conceptual and Order of Magnitude Study stages of project evaluation, and it is currently in the Pre-feasibility Study stage of the project lifecycle, (see diagram below).

Currently there are a range of investigations being undertaken during the Pre-feasibility Stage, including terminal design, materials handling, rail and shipment modelling, port development studies and geotechnical engineering studies.

Comprehensive environmental and community assessments will be undertaken to support potential lodgement of a development application to the NSW Department of Planning in the second half of 2011.



What are the potential issues?

An environmental assessment will be prepared to assess the potential impacts the proposed T4 Project may have on the environment and the community. Mitigation measures will be developed to minimise and manage environmental and community issues.

Key study elements will include:

Ecology

- Impact on threatened flora and fauna
- Impact on habitat for native fauna

Contaminated Land

- Impact on the water quality of the Hunter River
- Impact on surrounding land and sensitive sites

Noise

- Impact on residential receptors
- Cumulative noise impacts

Traffic

- Increases in traffic volumes due to construction and operation
- Changes to local routes due to construction

Air Quality

- Air quality impacts on residential receptors
- Cumulative air quality impacts

Visual

- Impact on surrounding receptors
- Impact on the nature of surrounding area

Water

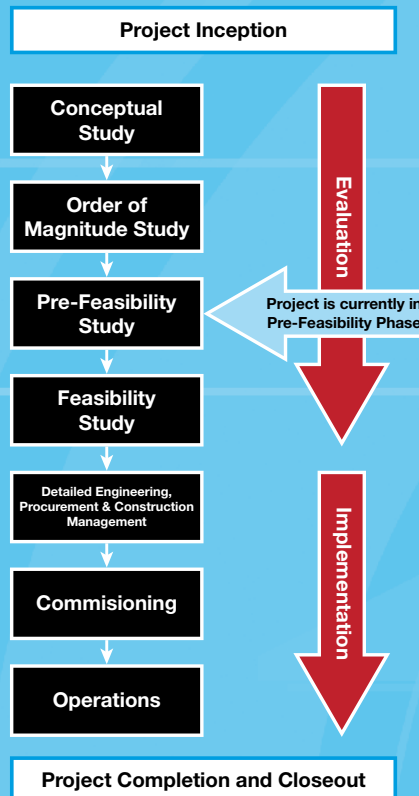
- Impact on Hunter River water quality
- Impact on local hydrological flows

Dredging

- Impact on the Hunter River
- Impact on the sea due to potential sea dumping

Social and economic impacts

- Impacts on residents
- Impacts on Region, NSW and Australia



How will the Community be consulted?

PWCS already conducts regular community consultation. For the T4 Project community and stakeholder engagement has commenced and will continue throughout the Pre-feasibility stage, and extend through the life of the Project. Community Consultation will include:

- Informal consultation with Stakeholders;
- Stakeholder engagement at the Pre-feasibility / options phase;
- Stakeholder engagement at the Environmental Assessment / Development Application Stage;
- Formal engagement with regulators and the wider community;
- Development of a T4 Webpage and Hotline; and
- Development and distribution of T4 Newsletters and Factsheets.

Would you like to know more?

PHONE us on our 24 Hour Community Line: (02) 4907 2280

VISIT our website: www.pwcs.com.au

E-MAIL us on: contact_us@pwcs.com.au

READ our PWCS Community Newsletters

WRITE to:

Port Waratah Coal Services

T4 Project

PO Box 57,

CARRINGTON NSW 2294



PWCS