

Mining Activity in Banana Shire

September 2013

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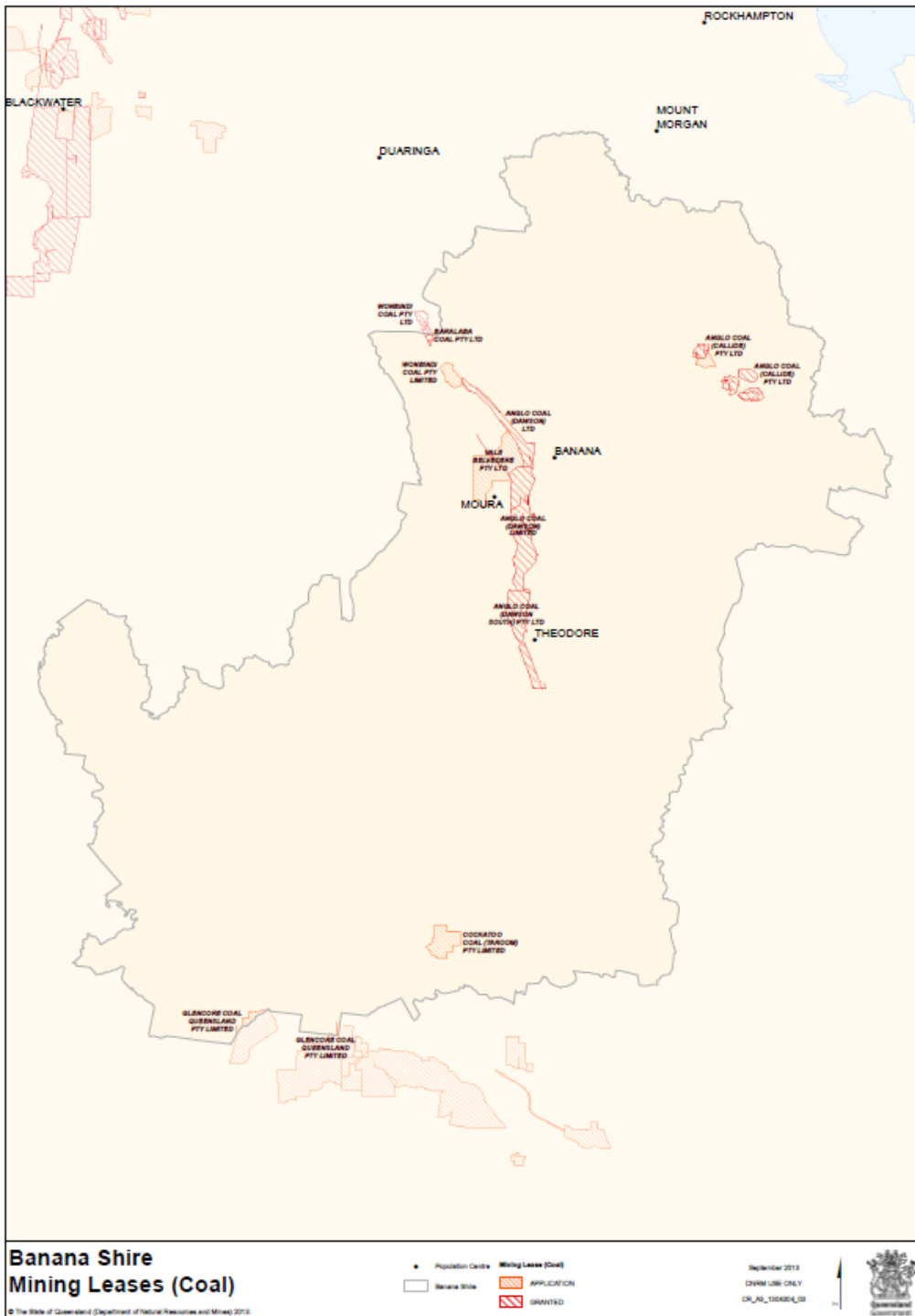
Exploration & Production Overview

Current exploration permit - summary

Resource	Number of permits		
	Application	Granted	Total
Minerals	14	57	71
Coal	33	99	132
Petroleum & gas	1	21	22
Geothermal	0	0	0
Greenhouse gas	1	0	1
Total	49	177	226

Current production permit - summary

Resource	Number of Permits		
	Application	Granted	Total
Minerals	0	15	15
Coal	14	41	55
Petroleum & Gas	15	14	29
Geothermal	0	0	0
Greenhouse Gas	0	0	0
Total	29	70	99



Operating Coal Mines

AngloAmerican

Callide & Boundary Hill

Dawson North, Central & South

Cockatoo Coal

Baralaba

BANANA COAL DEVELOPMENT PROJECTS (Quarter 2, 2013)

Project	Company	Status	Proposed Start-Up	Est. Cap Exp	Employment	Minin g Tenure	New capacit y (Total)	Sedimen tary Basin
Baralaba South (OC)	Cockatoo Coal Ltd (80%), JS Baralaba Wonbindi Pty Ltd (20%)	Expansion - MLA lodged on the 12/10/2012. TOR drafted. EIS commenced.	2015	\$300 m	192 (con), 200 (op)	MLA 80193	2.5-3.5 MTPA PCI 90% & Thermal	Bowen
Belvedere (UG)	Vale Australia Pty Ltd	New project - FS Stage	2016	\$2814 m	600 (con), 400 (op)	MLA 80148 -50, MLA 80153 -55 & MLA 80158 & ML 80159	Up to 7 Mt hard coking	Bowen
Taroom Project (OC)	Cockatoo Coal (Taroom) Pty Ltd (51%), Mitsui (49%) (MCH Surat Basin Investment P/L)	New Project - Taroom MLA was submitted on the 21/12/2011, EIS underway	2018	\$800 m	800 (con) 450 (op)	MLA5 5006	6 MTPA thermal	Surat

Cockatoo Coal Ltd

Baralaba South Project (MDL 352, EPCs 1047, 2107, 2143 & MLa 80193)

Baralaba North Project (MDL 416, EPC 1047 & MLa 80170)

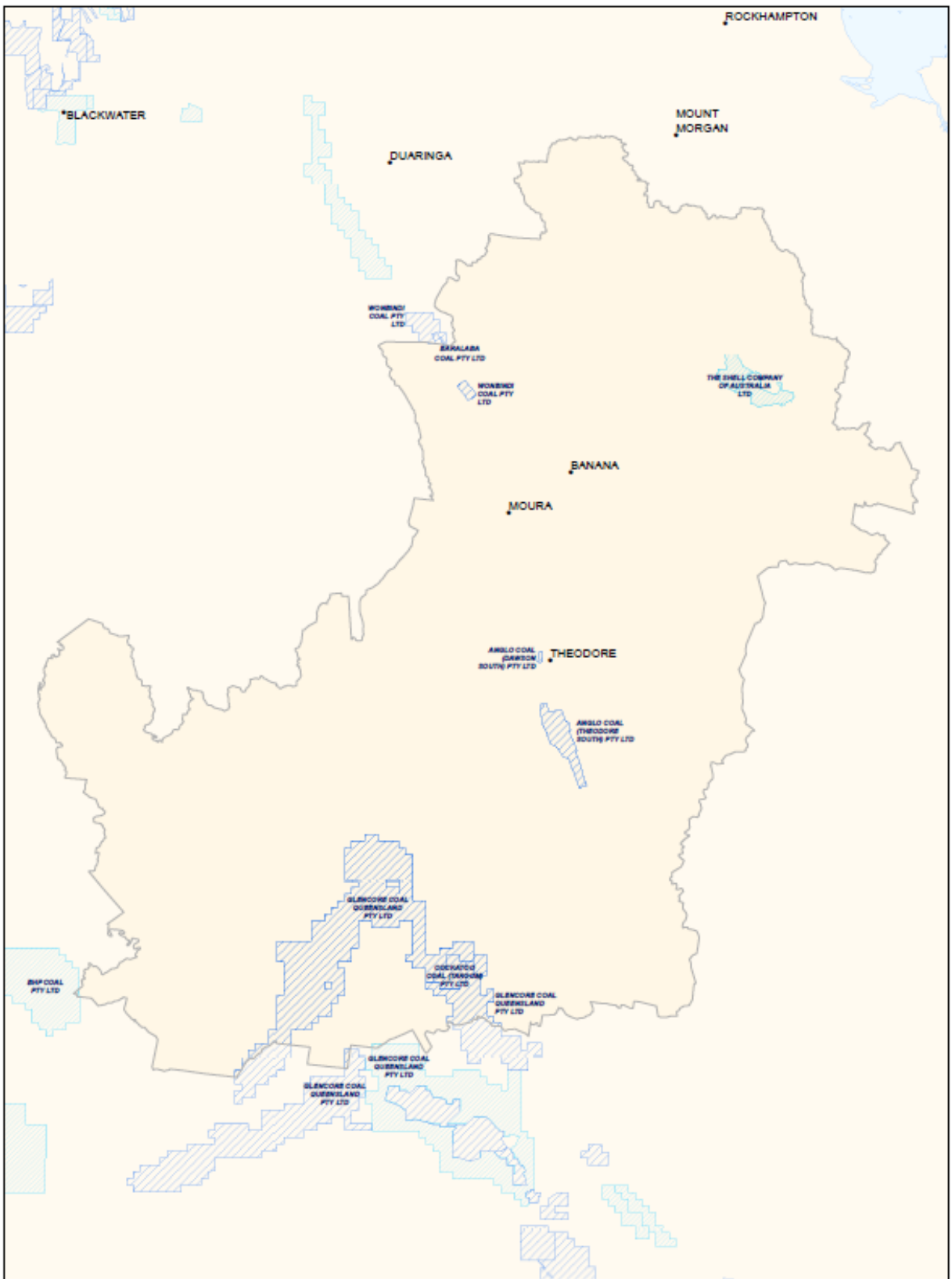
There were no drilling activities at the Bowen Basin projects during Quarter 1 as current data requirements were satisfied in the previous quarter.

The next phase of open hole drilling and core hole drilling for coal quality testing in the Baralaba North and Lochinvar projects will be commenced later in the year, with the aim of expanding the JORC Resources and Reserves to the north and at depth. Exploration potential in the different projects remains open in most directions.

Detailed geological modelling and mine planning, which incorporated results from the most recent drilling and coal quality results from late 2012, determined a 33% increase of JORC compliant Marketable Reserves in the Baralaba Mine Complex (52.5Mt to 70.0Mt) and a 3Mt increase in JORC compliant Resources (343Mt to 346Mt).

Taroom Project (MLa 55006, MDL 158 & 275) & other Surat Projects

During Quarter 1 there were limited exploration activities undertaken in Cockatoo's Surat Basin projects. These projects have advanced to a stage where no further substantial activities are planned for these projects until there is further clarity regarding the development progress of the proposed Surat Basin Railway and other major coal mine developments in the region. Exploration potential in the different projects remains open in most directions.



**Banana Shire
Mineral Development Licenses (Coal)**

- Population Centre
- Banana Shire
- Mineral Development License (Coal)
- APPLICATION
- GRANTED

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Advanced Coal Exploration Projects

South

Glencore Coal

(no mention of these projects on Glenmore Investor Day in London 10/9/13 – not 'on hold' list)

Cattle Creek MDL 414

~500 Mt inferred

- Term sought 5 years
- Date granted 1/8/2012

Cowangah MDL 412

~700 Mt inferred

- Term sought 5 years
- Date granted 1/8/2012

Orzabah MDL 413

~500Mt inferred

- Term sought 5 years
- Date granted 1/8/2012

Stanmore

Clifford

- Open Cut Thermal Coal
- Large tenement area with the potential to host a substantial thermal coal deposit suitable for open cut mining
- Initial scout drilling program completed, some follow up drilling of encouraging drilling targets planned
- Potential synergies with The Range
- Conceptual Additional Exploration Target 130 Low – 195 High



Banana Shire Coal Tenement

Population Centre	Mining Lease (Coal)	Mineral Development Licence (Coal)	Exploration Permit (Coal)
●	Red hatched box	Blue hatched box	Yellow hatched box
■	Red box	Blue box	Yellow box
□	White box	White box	White box

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Other Coal Exploration Activity

Linc

- No exploration activity in Q2 2013

U & D Mining Industry Pty Ltd

(acquired 100% of Endocoal Ltd 7/5/13)

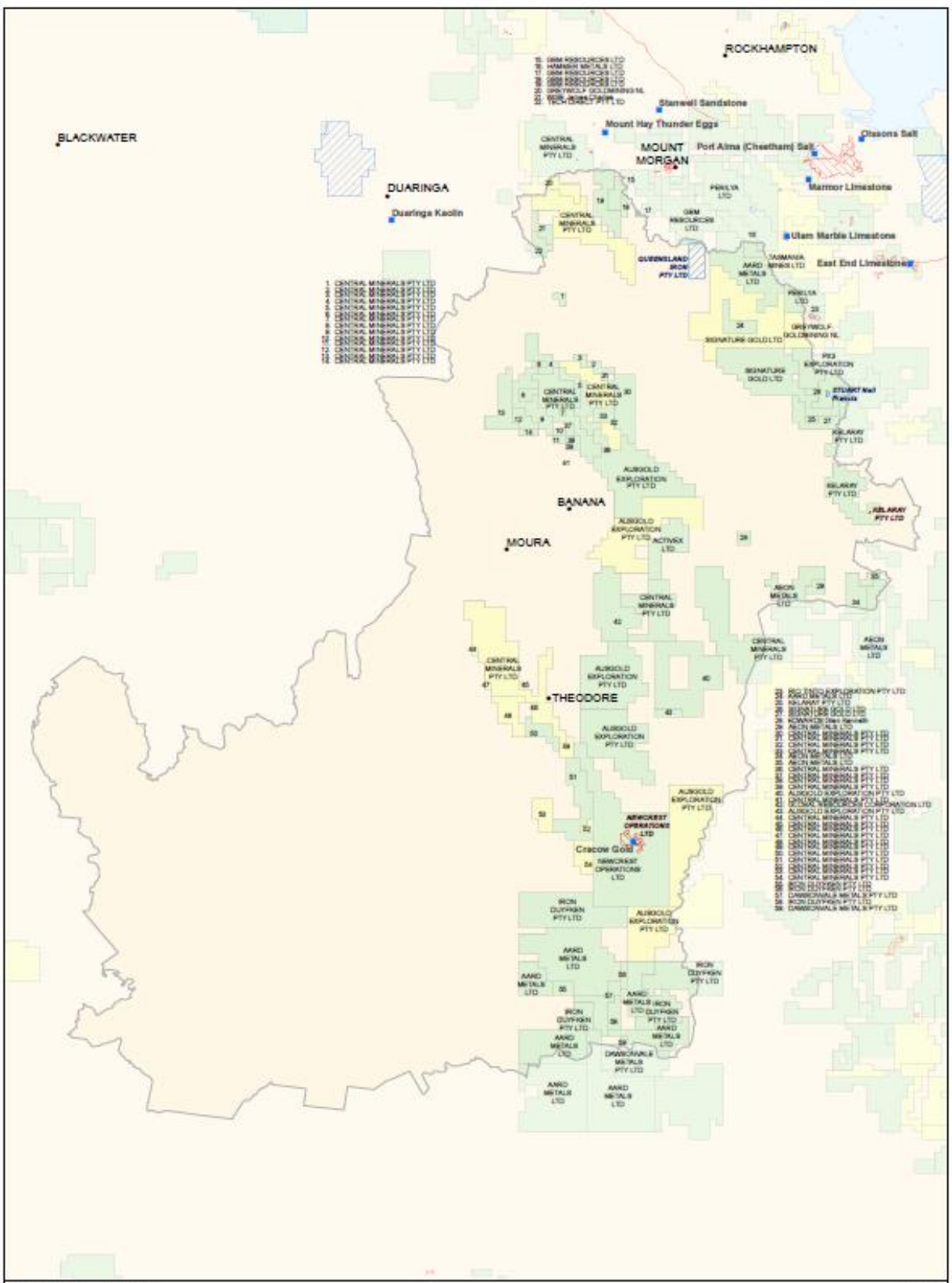
Stockyard Creek (EPC 2339); Cedars (EPC 1516); Barfield (EPC 1620)

- No obvious exploration activity recently

Coalbank

Biloela South (EPC 2241)

- Term sought 3 years
- Date granted 19/4/2011
- Renewal lodged
- In April 2013, the Company received a non-binding offer from Loyal Strategic Investment Ltd. for a conditional whole-of-company transaction, including an up-front deposit, the repayment of convertible bonds issued by the Company, and the acquisition of all its shares by way of a Scheme-of-Arrangement.
- Plans for exploration activities during 2013 remain on hold as a result of the change-of-control announced 26/4/13



Banana Shire Mineral Tenement

● Mineral Mine	■ Mining Lease (Mineral)	■ Mineral Development License (Mineral)	■ Exploration Permit (Mineral)
● Population Centre	■ APPLICATION	■ APPLICATION	■ APPLICATION
□ Banana Shire	■ GRANTED	■ GRANTED	■ GRANTED

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Minerals

Operating Mineral Mines

CRACOW Gold, Evolution Mining

Exploration for Cracow FY 13

- Coronation converted to Inferred Resource
- Griffin mineralisation discovered: open at depth and along strike to south
- Denmead Structure identified – east-west structure between Coronation and Sovereign
- Porphyry in southern field – anomalous copper
- Gradient Array and dipole-dipole completed over Myles Corridor
- Definition drilling to Inferred for Coronation and Inferred/Indicated for Griffin
- Diamond drill testing of targets Phoenix South, Sterling, Sterling North, Royal South, Denmead, Fordee South and Crown/Phoenix Link
- RC drilling of east and west areas of Cracow Southern Field, Golden Mile, Rainbow, Dawn South
- Magnetic Survey of Fernyside

Advanced Mineral Projects

Argonaut Resources NL

(labelled Kelaray Pty Ltd on map)

Mt Kroombit (EPM 1807; ML 5631)

- Zinc-copper
- Scoping study completed
- On hold

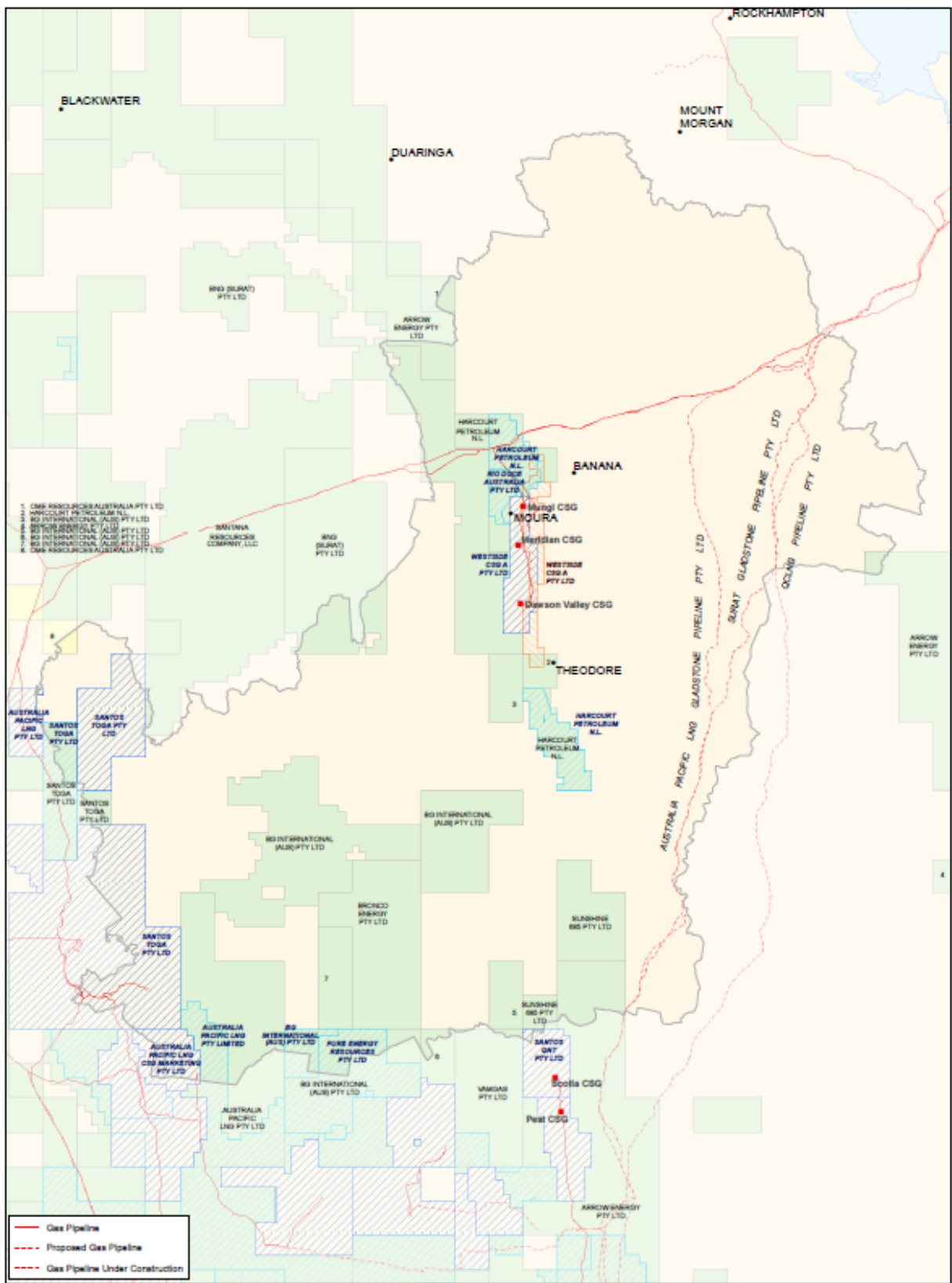
Recent EPM granted

AUSGOLD EXPLORATION PTY LTD

- EPM 19578
- Term sought 5 years
- Date granted 14/1/2013

HAMMER METALS LIMITED

- EPM 19831
- Term sought 5 years
- Date granted 5/2/2013



Banana Shire Petroleum Tenement

<ul style="list-style-type: none"> Population Centre Gas Operation Oil State Operation Banana Shire 	<ul style="list-style-type: none"> Petroleum Pipeline License Area APPLICATION 	<ul style="list-style-type: none"> Petroleum Lease APPLICATION GRANTED 	<ul style="list-style-type: none"> Exploration Permit/Petroleum APPLICATION GRANTED
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Petroleum and/or CSG

Operating CSG Fields

The Meridian Project comprises five gas fields distributed across the Site within the PL94 area. The northern section of PL94 is operated under a sublease agreement by Harcourt Petroleum N.L. (formerly Molopo Energy). The gas fields within PL94 are listed below:

- Dawson River;
- Nipan;
- Moura;
- Moura Central; and
- Mungi (Harcourt Sublease).

Santos – Fairview

Origin Energy Ltd – Spring Gully

Conventional Petroleum & Gas Operations

Santos – Oil, Condensate & LPG

Petroleum and gas production permit - applications

Number	Authorised holder	Term sought	Date lodged
PL210	HARCOURT PETROLEUM N.L.	50 years	07/06/2004
PL269	RIO DOCE AUSTRALIA PTY LIMITED		16/09/2008
PL270	RIO DOCE AUSTRALIA PTY LIMITED		15/08/2008
PL271	RIO DOCE AUSTRALIA PTY LIMITED		15/08/2008
PL290	RIO DOCE AUSTRALIA PTY LIMITED	30 years	25/11/2008
PL291	RIO DOCE AUSTRALIA PTY LIMITED	30 years	25/11/2008
PL292	RIO DOCE AUSTRALIA PTY LIMITED	30 years	25/11/2008
PL397	PURE ENERGY RESOURCES PTY LIMITED	30 years	26/07/2010
PL402	PURE ENERGY RESOURCES PTY LIMITED	30 years	26/07/2010
PL417	AUSTRALIA PACIFIC LNG PTY LIMITED	30 years	27/08/2010
PL420	SANTOS TOGA PTY LTD	30 years	03/09/2010
PL440	SANTOS TOGA PTY LTD	30 years	29/09/2010
PL447	HARCOURT PETROLEUM N.L.	30 years	21/12/2010
PL463	BG INTERNATIONAL (AUS) PTY LIMITED	30 years	21/04/2011
PL463	BG INTERNATIONAL (AUS) PTY LTD	30 years	21/04/2011

Pipeline Construction Progress

Origin Energy / ConocoPhillips / Sinopec

Australia Pacific LNG (Curtis Island & Pipeline network)

PPL 163 & PFL 20

- New project - capacity 9 Mtpa (Stage 1)
- under construction
- Curtis Island construction underway 45% complete.
- Includes 530 km gas pipeline network and gas field development.
- The main pipeline is 73% complete with 143 km installed and 212 km of the main line welded.
- Proposed Start-up - Mid 2015 1st train; End of 2015 2nd train.
- Est. Capital Expenditure \$24700m

QGC LNG Pipeline

Testing and reinstatement underway As at August 2013.

- August 2013 first gas enters the 11.4 kilometre Kenya lateral, which connects the Kenya Central Processing Plant with the Gas Collection Header.
- This marks the beginning of the commissioning and start-up phase of the QCLNG pipeline project.
- Sections of the 540 kilometre pipeline network will continue to progress: the upper northern section near Biloela and Gladstone will be in construction phase; and the southern section will be focusing on integrity testing, reinstatement and commissioning.
- On the Gas Collection Header mainline construction is complete and the focus has shifted to finishing integrity testing, with completion of the entire 200 kilometre section scheduled for the third quarter.
- Pipeline construction crews have been redeployed from the Gas Collection Header to help lower the remaining sections of the Export Pipeline in the northern area around Biloela and Gladstone.
- Topsoil has been returned to more than a third of the Export Pipeline, 7% has passed hydrostatic testing and another 7% is under way.
- At the Narrows Crossing, a 1.5 kilometre, 42-inch pipe string was pulled through a hole, created using horizontal directional drilling, that passes beneath two flowing creeks – Humpy and Targinnie. The pull took 13 hours and was completed safely.
- The trench dredged across The Narrows channel has been backfilled with gravel and rock; more than 70% of the marshland section has also been backfilled and the 2 kilometre Phillipies Landing Road section is more than half complete.

Santos Ltd / PETRONAS / Total / Kogas

Gladstone LNG

PPL 166-68 & PFL 10

- New project - under construction;
- includes 420 km gas underground gas transmission pipeline to Gladstone and gas field development
- 60% complete on a value of work done basis
- Whole project proposed to be completed by 2015
- 7.8 Mtpa on Curtis Island (includes pipeline and 2 LNG trains combined)
- Employment 5000 (construction), 1000 (operational)
- Cap exp. US\$18.5b FID to end of 2015

Sources of Information

Much of this information can be gained from:

Queensland Government's Department of Natural Resources and Mines websites

Mining permits in my local area search

<http://www.business.qld.gov.au/industry/mining/mining-online-services/mining-permit-search>

Central Queensland information and maps

<http://mines.industry.qld.gov.au/mining/central-qld-info-maps.htm>

GSQ

Queensland's significant mineral mines, advanced mineral projects and new intersections

<http://mines.industry.qld.gov.au/assets/mines-pdf/qld-adv-minerals-projects-2013-1.pdf>

Queensland's coal seam gas overview

<http://mines.industry.qld.gov.au/assets/coal-pdf/csg-update-2013.pdf>

Queensland's Coal – mines and advanced projects

(currently being updated can be accessed from)

<http://mines.industry.qld.gov.au/mining/queensland-mining-update.htm>