



fact sheet



BHP Billiton Mitsubishi Alliance

RED HILL PROJECT OVERVIEW

BHP Billiton Mitsubishi Alliance (BMA) is Australia's largest metallurgical coal miner and explorer, with a proud history in the Bowen Basin.

BMA's operations provide significant benefits to local communities, the broader Central Queensland region and the Queensland economy as a whole.

BHP Billiton Metallurgical Coal's long term growth options are supported by growing market demand for hard coking coal, a number of large undeveloped resources and a strong balance sheet.

Across Queensland BHP Billiton, through BMA and BMC, has 14 potential projects to be developed over the next 10 years. These include planned port and rail expansions, including a BHP Billiton terminal at Abbot Point and a dedicated rail line from the Bowen Basin to the new terminal. BMA plans to invest in major new capacity to meet business needs.

Over the next 10 years, BMA will nearly double its capacity (and operations workforce) as the new mines and projects become operational.

In 2008, BMA identified a number of quality coal resource opportunities to support the growth of its operations in the Bowen Basin. These were known as the Bowen Basin Coal Growth Projects and consisted of new mine developments Daunia and Caval Ridge, an expansion of Goonyella Riverside Mine and the relocation and upgrade of Moranbah Airport.

Due to market conditions at the time, studies into the expansion of Goonyella Riverside Mine were slowed. Since then, the underground component of the studies has been identified as a greenfield mine opportunity, now named Red Hill.

The Red Hill Project is a quality hard coking coal resource key to BMA's growth plans. It is located approximately 30 kilometres north of Moranbah and 160 kilometres southwest of Mackay. The Red Hill Mine will be located adjacent to Goonyella Riverside and Broadmeadow mines.

Subject to study outcomes and environmental approvals the project involves:

- The development of a greenfield underground mine known as Red Hill Mine. It will produce up to 14 million tonnes per annum (Mtpa) of product coal, with an expected mine life of 25 years. Product coal will be raised to Hay Point and/or Abbot Point coal terminals for distribution to international markets.
- A Mine Infrastructure Area (MIA)
- Associated mining infrastructure include a new coal clearance system and stockpiles
- A new Coal Handling and Preparation Plant (CHPP)
- A network of bore holes and associated infrastructure to de-gas the mine footprint
- An integrated water management system for Goonyella Riverside, Broadmeadow and Red Hill mines to meet an overall increase in production
- A new train load out facility and rail loop
- A new accommodation facility for the construction workforce and Red Hill Mine operational workforce.

Project construction will take approximately 28 months. Early works may occur in 2014 with construction commencing in the second half of 2015 once the necessary government and Owner approvals have been obtained. BMA will appoint a suitable contractor to undertake project construction works.

The further development of BMA operations will increase the total production rate of the area to 32 Mtpa of product coal which will come from Goonyella Riverside and Broadmeadow mines as well as the new Red Hill mine.





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Project benefits

The Red Hill Project will benefit Queensland, the Bowen Basin and Moranbah, contributing significantly to the Queensland economy and creating employment opportunities. Requiring substantial capital expenditure over the life of the project, it will pay significant royalties to the State Government each year.

The project will employ up to 3,000 contractors during peak construction and up to 1,500 employees and contractors during peak operations.

Moranbah and the surrounding regional communities will benefit from the economic benefits resulting from the project. During the EIS process, BMA will detail strategies to maximise the benefits from its operations and minimise environmental and community impacts.

BMA will continue to work in partnership with local communities to share its business success. BMA has launched a Local Buying Program aimed at directly benefiting small businesses based in the townships of Blackwater, Emerald, Moranbah and Dysart. The program will provide small business owners (with fewer than 15 full-time employees) with further opportunities to competitively supply goods and services to BMA's mining operations.

In 2009 and 2010 BMA invested around \$54 million across Bowen Basin townships to support local services.

In 2011 and 2012, BMA's financial contribution to Moranbah alone will increase from \$14 million invested in 2010 to approximately \$85 million over the two-year period. This investment includes:

- \$46 million Moranbah Airport upgrade.
- \$19.6 million for local infrastructure support for water, road and airport maintenance. BMA supplies and funds more than 80 per cent of Moranbah's water.
- \$13 million Moranbah Community Support Package in 2011. The package included:
 - \$5.5 million towards the development of a Regional Youth and Community Services Centre
 - \$5 million over five years to assist with the provision of affordable accommodation for low-income non-resource sector service workers
 - \$2.5 million to assist with the redevelopment of Greg Cruickshank Aquatic Centre.
- \$6 million towards rates and special rates, assisting Isaac Regional Council to maintain and enhance sporting and recreation facilities, infrastructure support, and other project initiatives.
- \$2.8 million for company community support programs such as daycare, additional sporting and recreational facilities, and education and cultural initiatives.

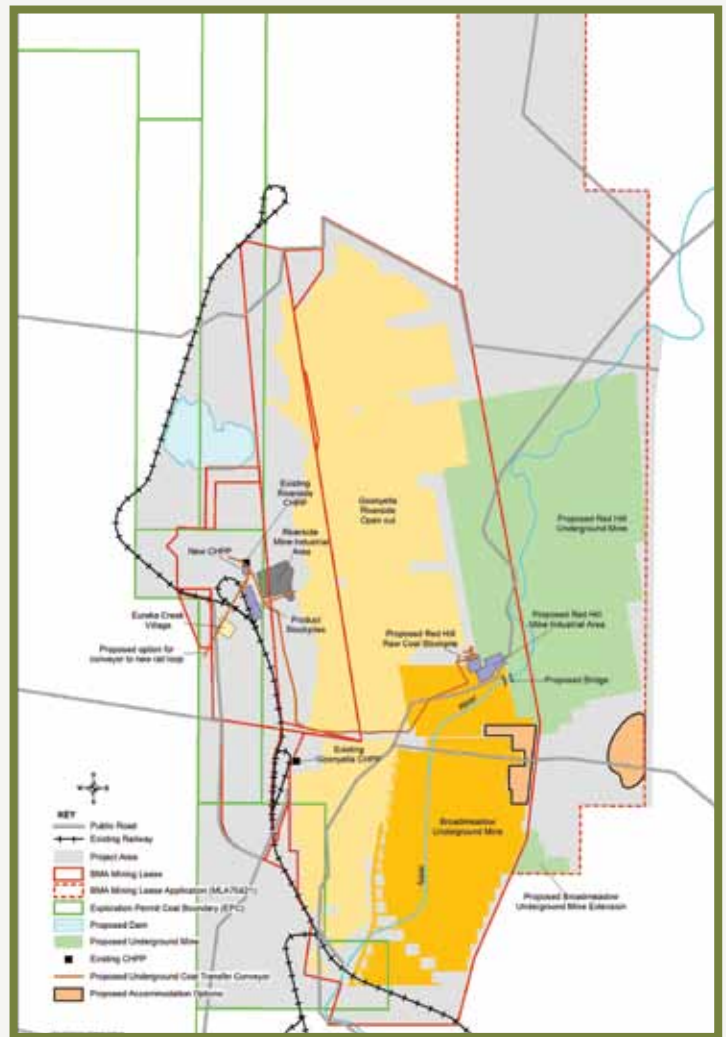
Project statistics

Location	Located adjacent to the existing BMA Goonyella Riverside and Broadmeadow coal mines, approximately 30 kilometres north of Moranbah
Local government area	Isaac Regional Council
Ownership	The project will be a 50-50 joint venture between BHP Billiton and Mitsubishi Development Pty Ltd, managed by BMA
Product	High quality, hard coking coal
Production	Red Hill Mine: Up to 14 Mtpa Goonyella Riverside, Broadmeadow and Red Hill Mines: Up to 32 Mtpa
Accommodation	Two potential options for an accommodation village are being investigated as part of the EIS process
Red Hill Project Construction:	
Duration	Approximately 28 months from 2015 pending approvals. Early works may start in 2014
Employment	Up to 3,000 contractors during peak construction
Red Hill Mine Operations:	
Duration	Up to approximately 25 years
Employment	Up to 1,500 employees and contractors during peak operations
Mining type	Underground: thick seam
Infrastructure	CHPP, MIA, network of bore holes to drain gas, coal clearance system and stockpiles; accommodation facility; integrated water management system, train load out facilities and rail loop for Goonyella Riverside, Broadmeadow and Red Hill mines
Export	BMA's Hay Point and/or the proposed BHP Billiton Abbot Point coal terminals

Regional area



Project area



Community involvement in the Red Hill Project

BMA is committed to minimising impacts and maximising benefits to local communities and stakeholders through the development of this important project. BMA will work with government agencies, surrounding projects, landholders, traditional owners, key stakeholders and communities through the planning and development of this project to achieve mutually beneficial outcomes and relationships.

BMA will continue to communicate and consult with its stakeholders to develop solutions and strategies to minimise negative impacts and enhance benefits associated with the project.

Stakeholder input and feedback will be considered by BMA in designing and planning the Red Hill Mine and reducing potential future impacts of the project. This information will be incorporated in the EIS prepared by BMA.

Feedback can be made by:

- phoning the BMA Information Line 1800 078 797
- emailing metcoalinfo@bhpbilliton.com
- visiting www.bhpbilliton.com
- attending various public consultations throughout the EIS process.



The Environmental Impact Statement process

BMA will appropriately manage the environmental and social aspects of the Red Hill Project. BMA is undertaking an Environmental Impact Statement (EIS) process to understand the environmental, social, economic and cultural implications of the proposed project in accordance with Federal and State Government environmental impact legislation.

In 2008, BMA identified a number of quality coal resource opportunities to support the growth of its operations in the Bowen Basin. These were known as the Bowen Basin Coal Growth Projects and consisted of new mine developments Daunia and Caval Ridge, an expansion of Goonyella Riverside Mine and the relocation and upgrade of Moranbah Airport.

Due to market conditions at the time, studies into the expansion of Goonyella Riverside Mine were slowed. Since then, the project has been renamed as the Red Hill Project.

Studies have begun to assess the project's impacts on areas such as:

- water resources (surface water and groundwater)
- land resources
- air quality (including greenhouse gases)
- noise and vibration
- flora and fauna of conservation significance
- cultural heritage (including indigenous and non-indigenous).

As part of the EIS process, BMA will also assess the potential social and economic impacts and benefits to Moranbah, the Isaac Regional Council area and the Bowen Basin.

Throughout the EIS process, BMA will describe the measures it will undertake to maximise project benefits and prevent or mitigate potentially adverse impacts. Various management plans will also be developed.

BMA is strongly committed to engagement with a range of local stakeholders in assessing impacts on social infrastructure and other community services.

More information about the EIS process is available through the Department of Employment, Economic Development and Innovation website www.deedi.qld.gov.au/cg/cg-consultations.html or phone (07) 3404 6999.

More information

BMA will continue to communicate and consult with its stakeholders throughout the Red Hill Project to develop solutions and strategies to minimise negative impacts and enhance benefits associated with the project.

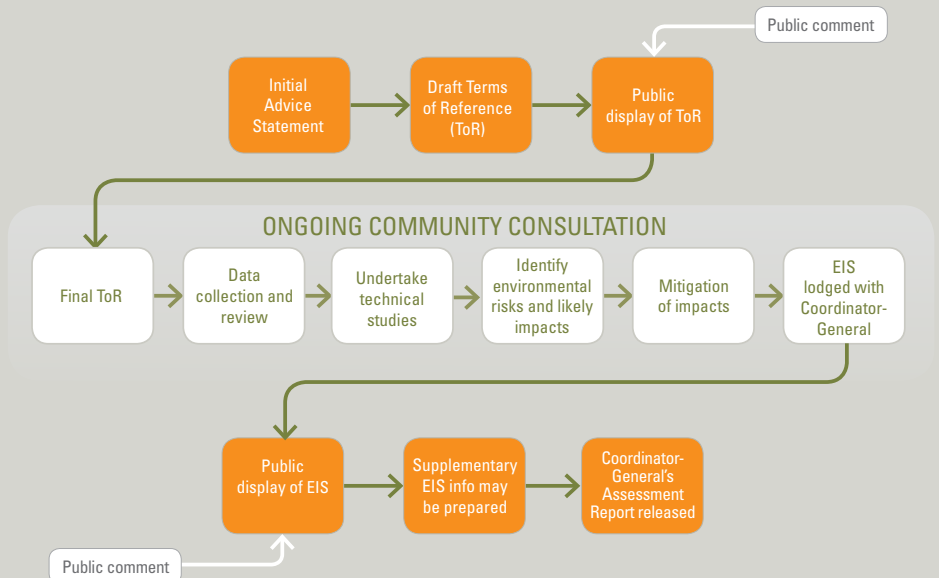
Questions, comments and feedback are always welcome via the:

Free call information line – 1800 078 797

Email – metcoalinfo@bhpbilliton.com

Website – www.bhpbilliton.com

The Environmental Impact Statement process



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