



fact sheet



BHP Billiton Mitsubishi Alliance

SARAJI EAST 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.

The Saraji East Project has been identified as a quality metallurgical coal resource key to BMA's growth plans. It is located approximately 30 kilometres north of Dysart and 167 kilometres southwest of Mackay.

The Saraji East underground coal mine will be adjacent to BMA's existing Saraji open-cut coal mine (Saraji Mine) on BMA mining leases. It will be a new greenfield project.

Subject to study outcomes and environmental approvals, the project will involve the construction and operation of:

- two greenfield underground mines
- a coal handling and preparation plant (CHPP), run-of-mine infrastructure, product coal stockpile and supporting infrastructure

- two associated mine industrial areas (MIAs) within the previously disturbed areas of Saraji Mine
- a new 4.4 kilometre balloon rail loop and spur and signalling on the main line; the balloon loop will be located adjacent to the existing Norwich Park rail line
- a water management system including approximately 700 megalitres of mine and raw water storage
- potential relocation of the existing Vermont water pipeline owned by Sunwater and the existing 132 kilovolt power line owned by Powerlink
- a 40 kilometre extension of the western corridor water supply pipeline from Caval Ridge Mine to Saraji Mine, including pump systems
- a new powerline and substations to supply power to the project.

The project is expected to produce up to 14 million tonnes per annum (Mtpa) of product coal for the export market over a life of 25 to 30 years. Product coal will be railed to BMA's Hay Point and/or Abbot Point coal terminals for distribution to international markets.

Construction and development will take approximately four years, with the majority of construction work occurring over 18 months between 2015 and 2016. BMA will appoint a suitable contractor to undertake the construction of the CHPP, MIAs and water pipeline. BMA will own and operate Saraji East Mine.





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Project benefits

The Saraji East Project will benefit Queensland, the Bowen Basin and Dysart, 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 2,500 contractors during peak construction and up to 1,400 employees and contractors during peak operations.

Dysart and the surrounding regional communities will benefit from the economic and employment 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.

Specifically for the Dysart community, over \$9 million was contributed during the 2010–2011 financial year to projects such as:

- up to a \$1 million upgrade of the athletics oval at Dysart State High School
- a daycare trainee program
- social infrastructure contributions to Isaac Regional Council to enhance the liveability of Dysart
- remedial work to Saraji Road and Silver Kay Road
- various community partnerships in health and education.

In 2011–2012 BMA will support:

- an urban design feasibility study with Isaac Regional Council
- Dysart Daycare Centre upgrade, which will create 38 additional childcare places
- various health screening programs and mothers' groups support
- the delivery of Dysart Sport and Recreation Centre, a \$6 million project with \$2 million contributed by BMA and ongoing management of the recreation centre with Isaac Regional Council
- local road upgrades.

Project statistics

Location	Located adjacent to the existing Saraji open cut coal mine, approximately 30 kilometres north of Dysart
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	Metallurgical coal
Production	Up to 14 Mtpa
Accommodation	Accommodation arrangements are being investigated as part of the EIS process
Construction:	
Duration	Up to four years from 2014
Employment	Up to 2,500 contractors during peak construction
Operations:	
Duration	25 to 30 years
Employment	Up to 1,400 employees and contractors during peak operations
Mining type	Underground: conventional longwall and thick seam mining
Infrastructure	Two greenfield underground mines, a new CHPP, two MIAs, run-of-mine infrastructure, product coal stockpile areas, 4.4 kilometre rail loop, spur and signalling, water management system, extended water pipeline, power and accommodation
Export	BMA's Hay Point and/or the proposed BHP Billiton Abbot Point coal terminals

Regional area



Community involvement in the Saraji East Project

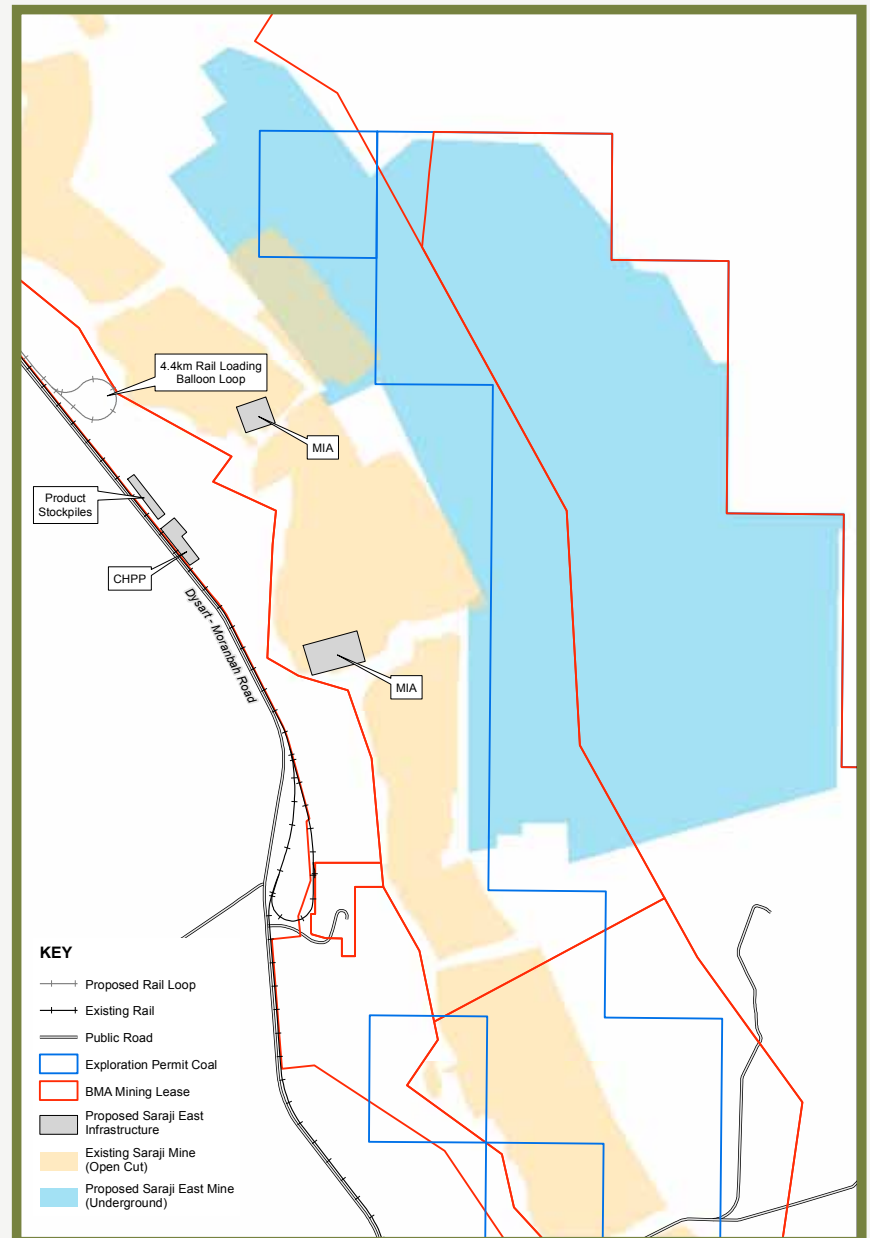
BMA is committed to minimising impacts and maximising benefits to local communities and stakeholders through the development of this important project. BMA will work with government agencies, surrounding projects, landholders, traditional owners, key stakeholders and communities through the planning 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 Saraji East 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 free call BMA Information Line 1800 078 797
- emailing metcoalinfo@bhpbilliton.com
- visiting www.bhpbilliton.com
- attending various public consultations throughout the EIS process.

Project area





More information

BMA will continue to communicate and consult with its stakeholders throughout the Saraji East Project to develop solutions and strategies to minimise 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

BMA will appropriately manage the environmental and social aspects of the Saraji East 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.

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

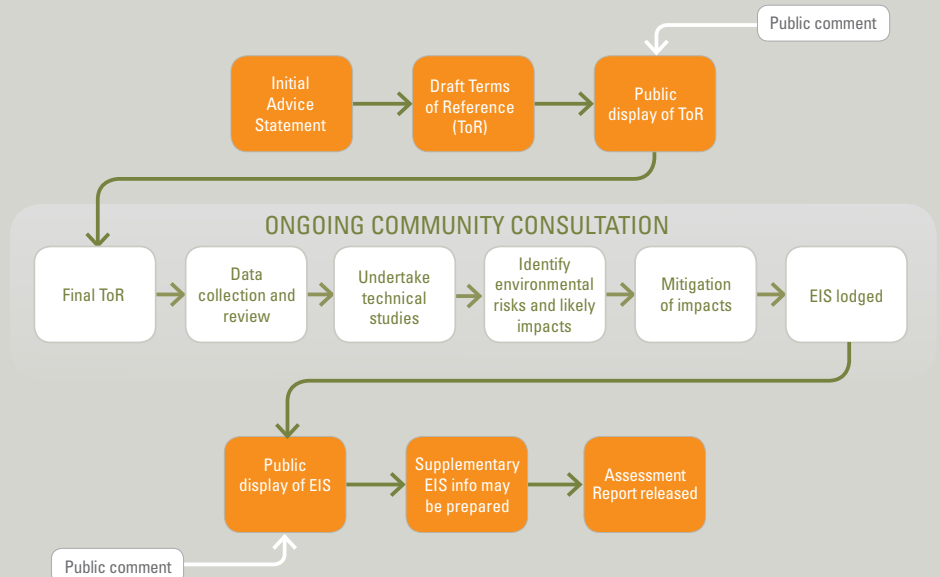
- water resources (surface water and groundwater)
- land resources
- air quality (including greenhouse gases)
- noise and vibration
- flora and fauna of conservation significance
- cultural heritage (including indigenous and non-indigenous).

As part of the EIS process, BMA will also assess the potential social and economic impacts and benefits to Dysart, 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.

BMA will undertake formal public consultation with key stakeholders as part of the EIS process. Activities will include meetings with key stakeholders, selected community groups and the BMA Dysart Community Network, public displays and community information sessions.

The Environmental Impact Statement process



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