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	<p>the company and specialists and maintain accountability upon Ambre Energy.</p> <ul style="list-style-type: none"> - The group is generally for people with an interest in the project, irrespective of whether they have a positive, negative or neutral disposition towards the project. Being a CLG member does not imply support for the project and the group operates best when there is critical scrutiny. - The role of the members is to bring local knowledge and appreciation of issues to the discussions, which should result in more thorough set of investigations.
CLG terms of reference	<p>Review of terms of reference</p> <ul style="list-style-type: none"> - The facilitator is independent, has no other involvement in the project, has no material interest in the project and has only an interest in the fair and balanced conduct of this group. - Members were asked to confirm a ‘terms of reference’ which binds the group and ensures the meetings are purposeful and discussion takes place in a supportive environment. - The CLG is not a decision-making body, consensus is not expected, and all opinions are valid. - Meetings are public in their nature and minutes are made public. - A question was asked about the requirement to nominate a proxy at the first meeting. Greg then determined that proxies could be nominated throughout the life of the group, particularly as members could not predict when they may need to nominate a proxy or who might be available to stand in for them. Greg advised that he would adjust the TOR accordingly. - Greg requested that members agreed to be named as attending. This was agreed. Greg suggested that if this presents difficulties for members that names could be withheld. - The terms of reference, subject to the above change, were confirmed.
Project overview, environmental impact statement and state review processes	<p>Presentation/s and Q&A – Matt Adams, Ambre Energy</p> <ul style="list-style-type: none"> - Presentation attached; main subjects were: company background, local coal interests, features of CTL – coal to liquids, crude oil outlook and trade imbalance, project development to date, use of proven technologies, outline of economic impacts, impact of strategic cropping land policy. <p><i>Note – questions and comments from CLG members</i></p> <ul style="list-style-type: none"> - Q. Where are Ambre Energy’s entire (cited) 840 km² of mineral exploration permits? A. Mainly on the Darling Downs; between Millmerran, Pittsworth and Warwick. Felton is just a small part of this. - Q. Will Ambre Energy replace the trees that are removed? A. Ambre Energy will undertake flora and fauna studies and offset the impact or replace what was removed. If the project is approved, rehabilitation is expected to be a prominent condition. Ambre Energy would seek to return the land to good, usable condition. - Q. But won’t the landform change? You won’t be able to replace vegetation as it was. A. It depends on where the mining takes place, but yes the profile of the land may differ depending on whether some of the ridges are mined. - Comment: Ambre Energy is too confident in its statements about rehabilitation – no-one else has done it well. (Some contention from Ambre Energy about this with reference to US experience). - Q. On a national scale, what is the proportion of ULP that the plant would produce? A. Around 5% of Australia’s demand based on consumption figures from 2008-09. - Q. What about the 4m tonnes of material that is unused (reference to PPT slide) from the mining process? A. Much of that material is ash and non-carbonaceous (clay and rock) and is returned to the pit. - Q. Why is Ambre Energy seeking a significant project declaration? Is it to speed up or assist approvals? A. It is due to the complexity of the new project; as there are many

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	<p>departments which now must provide much more significant review. This process involves the Coordinator-General (Department of infrastructure and Planning), meaning there are stronger cross-government coordination mechanisms. There are efficiencies in this process; however it does not guarantee approval.</p> <ul style="list-style-type: none"> - Comment: All projects should be done this way; it is almost impossible for a line agency to get consistency and urgency from other government agencies. - Q. Has Ambre Energy had to provide more information to the Department of Infrastructure and Planning than has been made public? A. Yes more detail has been provided and some of this is commercial-in-confidence. - Q. Is the economic analysis separate and independent of the proposed mining tax? A. Yes, the assessment was completed before the mining tax proposal and the project will need to be reviewed if and when there are new taxation arrangements. We note that the new tax addresses profit rather than production, and at this stage we feel that a tax structured in this fashion should not be detrimental to this project. - Q (In relation to material about strategic cropping land) Are exemptions to the draft policy usually possible because of economic benefit? A. As far as we are aware, decisions include both social and economic factors. We do not suppose because there is economic benefit that exemptions will be automatic. - Q. I am not sure that the quality of the soil or ability to sustain agriculture is the main issue. The mine's potential impact on aquifers is of greater concern. What will be the impact? A. We are undertaking a hydro-census across the project area and buffer zones to assess existing local groundwater. We will need an answer to this matter to ensure the EIS is complete. - Q. What about 'making good'? A. Ambre Energy's position is that if there is any water loss due to our mining we would 'make good'. - Q. Is it the company's final position to mine 2000 hectares? A. That is the area identified for mining, infrastructure, water storage dams and all project related activities. Only a portion of the 2000ha will be mined. We will dig and operate a pit and then fill in behind as the pit moves along. Only 300-400ha will be affected by mining at any one time. - Q. Why the change? Will there be further change? A. There have been adjustments as we have received more information. Plans become more defined as we investigate technology, markets and the resource in more detail. Also we decided to move beyond demonstration scale to full commercial scale. - Q. Will the hills be retained? A. Generally, it is more cost effective to mine the shallowest coal. To mine through a hill means there are many more cubic metres of extraction which adds to cost. This is being considered as the mine plan develops. - Q. What about the trees? A. The pit will generally follow the coal. If there are trees and other surface features these will be temporarily lost. - Q. Does that mean you can get around the Vegetation Management Act (VMA)? A. The Mining Act allows exemptions to the VMA if mining is approved. - Q. What about vulnerable and threatened species? A. Usually a local management plan would be required to satisfy legislation and it might include, for example, an offset of comparable vegetation and habitat. - Q. On Ambre Energy's website it says that only a small percentage of the site may be impacted by the strategic cropping land policy, including land adjacent to the western boundary where disturbance will be minimal. Does this also include the eastern boundary? A. The statement could be applied to the eastern boundary as well. Mining will begin on the eastern side of the project area and disturbance of land adjacent to the eastern boundary will be minimal. - Q. Will there need to be new roads? A. There will be new internal roads and potential upgrades to existing roads. It is our intention to avoid realignment of Pittsworth-Felton Road. - Q. Will the road need to be closed when there is blasting? A. It is possible. It will depend where the shot and blast is located. - Q. How much blasting will there be? Twice a day? A. Usually once a week. The shot locations will be drilled during the week, to prepare for one large blast. - Q. Have you verified the coal quality elsewhere; I have heard that you have been drilling

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	<p>at Millmerran? A. We undertake drilling to remain active on the leases. Government requires that we are actively investigating all leases. For this project, we will not need additional coal. There is enough coal for 35-40 years in the project area, so we will not need to bring coal from elsewhere for gasification.</p> <ul style="list-style-type: none"> - Q. I hear that Ambre Energy is also drilling out at Back Plains. Is the coal good there? Would it be suitable for export? A. We have been drilling in accordance with state government requirements, and as has been earlier established by other companies, the coal is of good quality. There are major limiting factors restricting export of this coal, including transport costs and access to ports. Q. Haven't you been working with other companies? A. Yes, we have tested coal which is equivalent to Felton coal in a gasifier to verify that it is suitable for gasification. - Q. How many trucks will move about each day? A. An early estimate is 50-60 fuel tankers per day. This will depend on truck sizes. - Q. Where will these trucks head to? A. The dominant market will be Brisbane, so through Toowoomba and down the range. Some could go south, north or west. - Q. Will the fuel be sold in Australia? A. Yes. It is intended for local markets and to provide local fuel security. <p>Presentation from Damien Taylor, SKM</p> <ul style="list-style-type: none"> - Presentation attached. - Damien explained that he is leading the ambreCTL environmental impact statement (EIS). He confirmed that they are seeking a significant project declaration because of the complexity of the project, the diversity of impacts and the array of cross-government approvals. Because of the social impacts the project must be considered further than the scope of the Environmental Protection Act. - However, if the application for significant project declaration is declined, the project can still be reviewed by the Department of Environment and Resource Management, with this department acting as lead agency and coordinator of government review. - Damien led the group through the EIS stages and explained the company was awaiting EIS terms of reference; however it is permissible to commence the EIS and gather baseline information. <p><i>Note – questions and comments from CLG members</i></p> <ul style="list-style-type: none"> - Q. How many of the (cited) 20 EIS applications run by SKM have been successful? A. All 20, with the caveat that the Traveston Dam was approved by the Queensland Government but then rejected by the Commonwealth. - Q. So this project stands an excellent chance of being approved? A. There is no certainty and the company has a lot of matters to address and prove. The company will have to prepare a detailed social impact plan for example. - Comment: Above all of the environmental issues, I reckon it is the social issues which present the greatest drawbacks to this project. - Q. If all EIS submissions get approved, it just depends on whether the company can live with the conditions, isn't that right? A. There is no certainty, but you are right, when there are approvals, there are substantial operational conditions that the company has to meet in order to be granted specific licences. - Statement: So it is really the company which decides whether the project goes ahead. Response: First, the government is the arbitrator as to whether the impacts are able to be managed and are acceptable. The government report lists its findings and recommended operating conditions. Following which the company has to decide whether the project is still viable. - Q. If the Coordinator-General is involved does this override any rights of local government? A. Local Government is consulted and many of the licences (such as fuel storage) have to be obtained from local government. Also Commonwealth interests have to be satisfied as well. - Q. How large will the EIS be? Something like 700 pages? A. At least that length, and in this case it could be higher. It will be available as a DVD and provided in hard copy in

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	<p>buildings such as council offices and libraries.</p> <ul style="list-style-type: none"> - Statement: I don't think the government should bother placing conditions that the land has to be returned to cropping standard, as I think the land is unsuited to this. Response: We will do an assessment of the potential of the land and its capability. It should be capable of carrying the same trees and vegetation as a minimum.
<p>Summary of past CLG discussion</p>	<p>Past CLG discussion</p> <ul style="list-style-type: none"> - Greg indicated that this presentation would not take place due to time overrun. - Intended presentation would be tabled with minutes, following: <ul style="list-style-type: none"> Past CLG agenda and general discussion topics: <ul style="list-style-type: none"> o Emissions, Carbon Dioxide capture and potential reuse o Mine and plant specification, technologies o Legislation and regulation o Water demand, water sources and local groundwater o Required land and buffer; land purchases o Coal deposit o Rehabilitation standards o Products and markets o Social impacts o Road use, wear and repair o Employment and housing o Company background and experience o Capital requirements - Any interest in these items can be raised at the next meeting or out of session.
<p>Community consultation and consultation program</p>	<p>Brief verbal presentation Liz Edwards, JTA</p> <ul style="list-style-type: none"> - JTA Australia is an experienced, specialised and independent community consultation company. - JTA has been engaged to manage the bulk of the community consultation associated with the project. - The CLG is just one way in which the community can be involved and informed. - Across the EIS and beyond there will be information sessions, updates on the website, stakeholder briefings and questions can be raised through the project e-mail and freecall number. - Community briefings will commence next week, including a session with the Toowoomba Chamber of Commerce, and community information sessions will be held in October. - The consultation program will be evaluated and the notes and minutes from all public meetings will be provided to the government. <p><i>Note – questions and responses from CLG member</i></p> <ul style="list-style-type: none"> - Q. Why hasn't Ambre Energy agreed to a meeting and format with the Friends of Felton? People are upset about the uncertainty arising from the lack of information. A: Ambre Energy will correspond this week to suggest a meeting format. The company would have preferred to brief all parties earlier. Because of delays in government decisions (about the project status and terms of reference), we haven't had all of the answers and didn't want to hold meetings and only add to the uncertainty. The company has decided to hold a CLG meeting and other briefings now as the government process has taken longer than expected. We know we have to keep up our communication and would have preferred to be talking to stakeholders before now. - Response: Ambre Energy could have set a meeting earlier. We have had to chase information and commitment. We have been trying to set up a meeting for three months. A: Some of the delay has come from disagreement in the format. We want a meeting where speakers have equal and fair opportunity to speak. We would like a more constructive and productive meeting compared with the meeting we held at the Felton Hall last year.

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<p>General business</p> <p>Water requirement and potential sources (standing item from past CLG)</p>	<p>Standing item: water requirement and potential sources</p> <ul style="list-style-type: none"> - The project will require at least 4,000 megalitres per year and Ambre Energy will need an independent source. - Potential sources of water for the project include: (1) use of treated water from coal seam gas operations (2) waste water from water treatment plants in the Toowoomba region (3) recycled water from the SEQ water grid. - Option 3 is the company's base case and would require a dedicated pipeline. We are also investigating the potential for on-selling water along the pipeline corridor. Work on water security will continue as a priority.
<p>Administration: meeting time, location, format, distribution of minutes etc.</p>	<ul style="list-style-type: none"> - CLG advised that the meeting time (11am-1pm) was suitable. - CLG nominated that 'social impact' be added as a standing agenda item. - Minutes will be distributed within 2 weeks. - Meeting closed at 1.00pm. - Facilitator to advise next meeting time pending release of draft ToR.