

Felton Clean Coal Demonstration Project

Community Liaison Group Terms of Reference

1. Introduction to the project

Ambre Energy is a mining and technology company developing projects to convert low-value coals into high-value products such as char, fuels, chemicals and electricity. Ambre Energy is proposing to build and operate a coal gasification plant and coal mine on a 355ha site at Felton, 30km SW of Toowoomba in Queensland. The following terms of reference cover the establishment of the Community Liaison Group for the environmental impact statement (EIS) phase of this project.

Ambre Energy is proposing to operate a 455tpd Di-Methyl Ether (DME) pilot plant to demonstrate existing and new catalyst technology and new reactor design for the production of DME. The technology has the potential to greatly reduce the capital and operating cost of DME manufacture.

The DME project will encompass the DME reactor, co generation of electricity and an open cut mine to provide the feed stock for the process. The mine will be developed in two stages; the initial stage will involve the extraction of 800,000 tpa with the second stage expanding to 3.8 Mtpa.

After undertaking surveys on Ambre Energy's exploration leases around Felton, the company released an Initial Advice Statement (IAS) in 2008 to outline plans for the use of coal deposits within the leases. The IAS is attached and contains detailed information about the scope of the proposal and technologies; it is also available at www.ambreenergy.com and www.epa.qld.gov.au

2. The Environmental Impact Statement (EIS) and purpose of the Community Liaison Group (CLG)

In order to obtain government approval to advance the Felton Clean Coal Demonstration Project, Ambre Energy will prepare an Environmental Impact Statement (EIS) during the coming months. The EIS will be supervised by the Environmental Protection Agency (EPA) on behalf of the Queensland Government, and will be conducted and managed in accordance with relevant Queensland and Commonwealth legislation. To complete the EIS, Ambre Energy must identify and assess the potential environmental, cultural, social and economic impacts of the Project and develop measures to avoid, minimise or offset them.

The Draft Terms of Reference (DTOR) for the Felton Clean Coal Demonstration Project were released for public review and comment on 27 January 2009. The DTOR provide affected communities and stakeholders with an opportunity to review and comment on the issues to be investigated as part of the EIS. These community and stakeholder responses will contribute to the development of the Final Terms of Reference which are expected to be released in April 2009. More information about the Felton Clean Coal Demonstration Project Terms of Reference is available at www.ambreenergy.com and www.epa.qld.gov.au.

Ambre Energy has started a consultative process with relevant interested parties. A key aspect of this process is discussions with landowners and community members directly affected by the Project to identify any areas of concern. This process will continue and includes identification of all stakeholders, discussion with Local, State and Federal Government representatives, communication plans and consultation and negotiation on measures required to address compliance and community concerns.

Ambre Energy will establish a Community Liaison Group (CLG) in 2009 as part of this consultation program. The CLG will provide a forum for discussion and exchange of views and information of relevance to the project.

The CLG will operate as part of an open and structured community consultation process. Information will be exchanged that will directly contribute to the EIS and aid Ambre Energy's understanding of the community and the potential impact of the project.

The CLG will operate during the EIS project phase which is expected to be conducted over the next twelve months.

Specifically, the CLG's role is to:

- allow the provision of project information and updates to members
- act as a conduit to interest groups and the local community by communicating information about the project's status and outcomes from the CLG
- identify EIS issues of concern to Ambre Energy and the project team
- suggest issues to be considered through the EIS technical studies
- gather feedback from interest groups and the local community relating to the draft EIS and (possible) supplementary EIS
- provide feedback to Ambre Energy about potential mitigation strategies
- receive feedback on how Ambre Energy intends to address issues, mitigate adverse impacts of the project and realise project benefits.

The CLG is not a decision-making body, and as such consensus will not be sought or required. Key issues, action items, and points of discussion will be recorded in the minutes and considered by Ambre Energy and its consultants.

3. Membership and appointment

Ambre Energy proposes that membership will include landowners and relevant local interest groups, including business, environmental, community and local government representatives, as well as other special interest groups as required. Members will be appointed by Ambre Energy to ensure a representative cross-section and participation will be sought by direct invitation, as well as a request for expressions of interest via a public notice advertisement.

Members may send a proxy if unable to attend a meeting but any proxies must be notified at the first meeting. The proxy will be subject to the same criteria as CLG members i.e. they will be asked to agree to the CLG terms of reference and sign the Membership Acceptance Deed (page 6) before, or at, the first meeting. Signature of the Membership Acceptance Deed is a condition of appointment to the CLG.

Representatives from Queensland and Commonwealth government agencies may attend as observers, or to provide specific information and input into discussions. Other relevant agencies can also attend as observers. Ambre Energy staff, including the project manager and consultants, will also attend meetings as required.

No members of the CLG will be remunerated by Ambre Energy for their participation, nor will expenses be payable by Ambre Energy.

Ambre Energy has engaged JTA Australia, a specialist community consultation company, to provide independent facilitation and secretariat services. This is to ensure the CLG meetings are conducted professionally with all parties having equal rights and opportunities for participation, as well as the preparation of independent meeting records. Greg Bourke and Anita Parmar from JTA Australia will provide these services during the life of the CLG.

4. Responsibilities of Ambre Energy

Ambre Energy is required to:

- organise meeting venues, equipment, presentations and other audio-visual aids
- organise administrative support at meetings, including recording of minutes and posting of minutes on the Ambre Energy website within an appropriate timeframe
- provide project staff to attend meetings as required and ensure officers attending meetings are able to provide information about the progress of the EIS and its component studies
- ensure that CLG members are provided with adequate information (in plain English) to assist them in contributing to CLG discussions
- follow-up relevant action items in an appropriate timeframe
- maintain the privacy of members, including the appropriate use of personal information
- advise the CLG how information and feedback has been used to inform and support the EIS process
- appoint an independent facilitator and secretariat to manage the CLG.

5. Responsibilities of the CLG facilitator

The facilitator is to:

- assist in the selection and appointment of members to ensure the CLG is representative
- manage and facilitate CLG meetings in a fair and independent way

- work with the CLG members and project team to set meeting agendas
- circulate the CLG meeting agenda at least one week prior to each meeting
- ensure appropriate specialists are present to provide information and answer questions
- monitor progress of action items to ensure they are completed within appropriate timeframes
- review membership as required (e.g. in the case of vacancies) to ensure continued representation of key stakeholders and interests
- review and approve the minutes and circulate to members within one week of each meeting
- identify any items of a confidential nature and ensure CLG members understand how such information may, or may not, be used.

6. Responsibilities of CLG members

CLG members are expected to:

- commit to and abide by the terms of reference
- regularly attend and participate in meetings
- suggest agenda items for discussion at meetings
- properly represent their communities, organisations or interest groups and bring forward issues, concerns and ideas raised by their members
- provide a conduit between Ambre Energy and the community by disseminating information from the CLG and bringing community feedback to meetings
- advise the facilitator in advance if they are not attending a meeting, or are sending a proxy in their place
- advise the facilitator if they wish to withdraw from the CLG or transfer membership to another representative
- maintain confidentiality as necessary (refer to section 9, page 5)
- respect the views of other members and participate in discussions in an open and respectful manner
- respect other members' rights to express a differing opinion to their own
- abide by the decisions and directions of the facilitator
- advise the facilitator of any potential conflict of interest relating to matters for discussion or consideration.

7. CLG meetings

CLG meetings will be held at EIS milestones, or as required. They will generally be held every two months but, as the project progresses, meetings may be held more or less frequently depending on the project phase and EIS progress.

An early item of CLG business will be to set a forward schedule of meetings to provide maximum notice of meetings.

The times of the CLG meetings will be discussed and agreed at the first meeting. The first meeting will be held around lunchtime to see whether this is convenient. Meetings will generally run for two hours.

Meetings will be held at a venue that is accessible and convenient for members, and this will be discussed with CLG members.

8. Media limitations

CLG members may not make comments to the media on behalf of the CLG, or as a member of the CLG, without the express consent of the facilitator or Ambre Energy. Meetings will not be open to media or other external observers.

9. Confidentiality requirements

It is anticipated that most information discussed or provided to the CLG will be public in nature. However, from time to time the CLG might be provided with confidential information which may include preliminary proposals or concepts that have not been approved or endorsed by Ambre Energy or the Queensland Government. Additionally, there may be times when commercial-in-confidence material is being discussed. Confidentiality is sought so that all participants can discuss matters in a full and direct manner. Where items are of a confidential nature, the facilitator will clearly note the item as such and in those instances members will not be able to take notes, copy information provided or discuss the matter externally.

10. Administration and meeting procedures

Minutes and action items will be recorded at each meeting. These minutes will be circulated to all CLG members and the project team within one week of each meeting. A summary of minutes will also be posted on the project website within two weeks of each meeting. Meetings will only proceed if a quorum of five members is present.

11. Contact points

Community Liaison Group

Greg Bourke (facilitator)
JTA Australia
Ph: 07 3268 6665
M: 0411 535 808
E: gregbourke@jtaa.com.au

or

Anita Parmar (secretariat)
JTA Australia
Ph: 07 3268 6665
E: anitaparmar@jtaa.com.au or info@feltonclg.com.au

EIS process

Contact the EPA EIS Co-coordinator on telephone 1300 130 372.

The project

For further information about the project, contact Ambre Energy on 07 3009 9180.

12. Membership Acceptance Deed

I have read, understood and accept the CLG terms of reference as outlined in this document. Ambre Energy may change these terms of reference from time to time. Ambre Energy will notify you of those changes by:

- i. giving you notice in writing
- ii. placing a notice in a major daily newspaper with a circulation which covers Felton or
- iii. placing a notice on its website.

The changes will take effect on the date specified by Ambre Energy, or if no date is specified, on the date you receive notice of that change

As a member of the CLG, I agree to abide by:

- i. "Responsibilities of CLG Members" as per section 4 of this document
- ii. "Media Limitations" as per section 8
- iii. "Confidentiality requirements" as per section 9.

I understand that if I do not comply with the conditions of membership, my position as a CLG member will be reviewed and may be terminated.

I understand that this is a voluntary position and that I will not be remunerated by Ambre Energy for my participation, nor will expenses be payable by Ambre Energy.

Accepted as a Deed

Signed and agreed

Member name

Witness (Facilitator)

Member signature

Witness signature

Date.....

Date.....