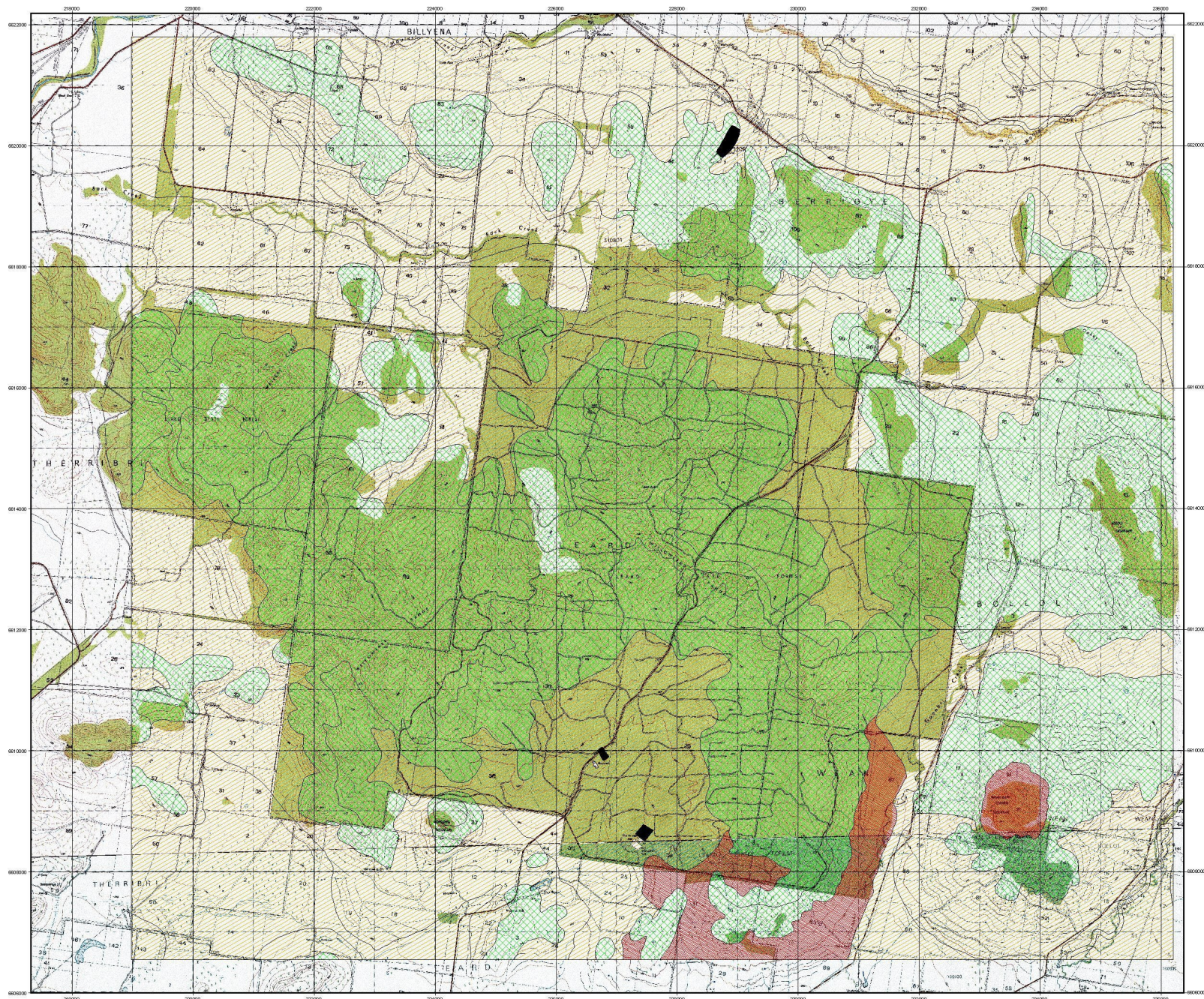


Appendix 11 – Surface Water

1. Namoi CMA Map showing drainage in the Leard Forest Area.
2. Namoi CMA Map showing runoff in the Leard Forest Area.
3. Email from Boggabri Coal describing water inundation of the Boggabri Coal Mine.



Deep Drainage Estimates for the Leard Forest Area

Deep Drainage Ranking

-  Low - 1718 ML/yr.
-  Moderate - 20 767 ML/yr.
-  High - 399 ML/yr.
-  Disturbed Land - No Data available

**Total Deep Drainage for
Leard Area = 22 884 ML/yr.**

This map has been prepared by SoilFutures Consulting Pty Ltd and is a subset data for a project undertaken for KLC Consulting (2010).

SoilFutures Consulting Pty Ltd does not accept responsibility for any errors or inaccuracies in this map. Background data for the map were created in 2004, and may not reflect the current impact of land disturbance through mining.

This map was prepared in December 2010.

0.9 0 0.9 1.8 Kilometers





Runoff Estimates for the Leard Forest Area

Runoff Ranking

-  Low - 10 810 ML/yr.
-  Moderate - 20 134 ML/yr.
-  High - 4 430 ML/yr.
-  Disturbed Land - No Data available

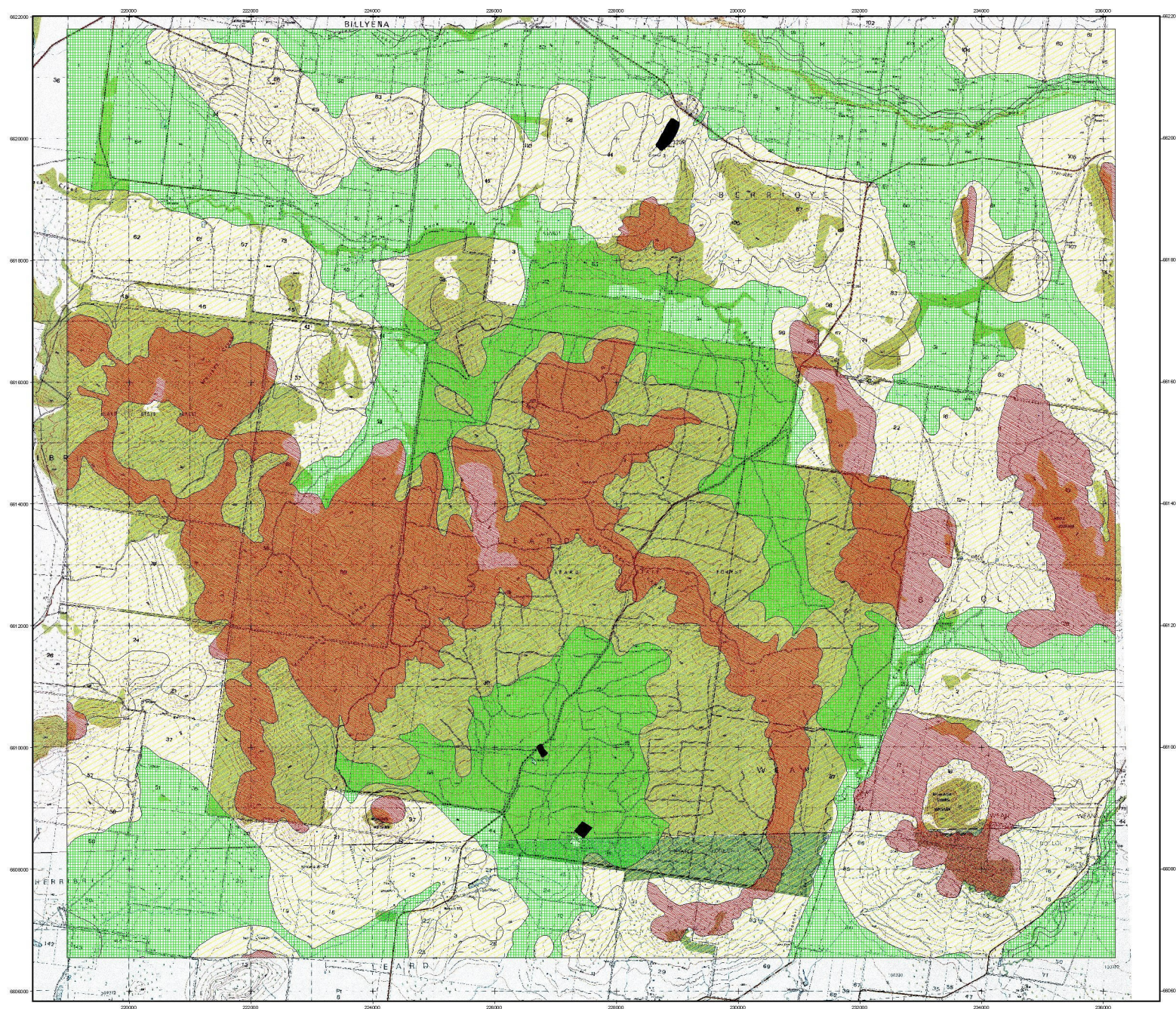
**Total Estimated Runoff for
Leard Area = 35 374 ML/yr.**

This map has been prepared by SoilFutures Consulting Pty Ltd and is a subset data for a project undertaken for KLC Consulting (2010).

SoilFutures Consulting Pty Ltd does not accept responsibility for any errors or inaccuracies in this map. Background data for the map were created in 2004, and may not reflect the current impact of land disturbance through mining.

This map was prepared in December 2010.

1 0 1 2 Kilometers



Subject: Boggabri Coal water release

From: IAR Executive Director Operations <IARExecutiveDirectorOperations@idemitsu.com.au>

Date: 14/02/2012 6:22 PM

To: IAR Executive Director Operations <IARExecutiveDirectorOperations@idemitsu.com.au>

Dear stakeholder,

Boggabri Coal Mine (Boggabri), operated by Idemitsu Australia Resources Pty Ltd has been severely affected by unprecedented wet weather events during late 2011 and early 2012.

In late November 2011, Boggabri Mine and the surrounding area received more than 130mm of rain over three days. Total water inflow to the mine exceeded 160 mega litres (ML), forcing the evacuation of the mine. As a result, mining operations were significantly interrupted, with recovery expected to take more than three months.

In late January 2012, Boggabri Mine and the surrounding area received more than 230mm of rain over a period of 10 days with some townships reporting a 30-year record flooding. Following the significant rainfall, total water inflow to the mine exceeded 900 ML.

As a result of the rainwater that has been unintentionally captured on the mine site, all active mining areas and surface dams are inundated and mining activities have been temporarily suspended.

Our operations

It is critical to the Mine's operations that the rainwater can be released in a safe and timely manner. This will allow us to recommence safe mining operations and ensure that sufficient water storage is available for future rainfall.

Until this time, mining is suspended and future operations remain uncertain. This has the potential to seriously jeopardise the significant economic contribution the Mine's operations make to the Boggabri and Gunnedah region.

Our priorities are to:

- Protect the security of our business and our 450 employees, of whom most live in the local area
- Recover our capacity to supply customers
- Restore our economic contribution to the local region and the State Government.

Modification to Environmental Protection Licence

We have applied to the New South Wales Environmental Protection Authority (EPA) to authorise a variation to our Environmental Protection Licence to facilitate the controlled release of up to 700 ML of excess water.

Our application proposes to release a maximum of 20 to 30 ML/day while the Namoi River experiences high flows to ensure adequate dilution and protection of water quality.

Release of the water at these rates could see mine operations recommence within 10 days, with full production expected within 25 days.

To support the application, independent consultants undertook water quality sampling and analysis of all rainwater in the mining pits and the Namoi River. We have also commenced environmental impact assessment including modelling the dilution of rainwater released from the mine into the Namoi River.

As part of our application, water quality will be closely monitored during the water release in accordance with the exemption guidelines. This will involve sampling and field or laboratory analysis of the released water and at a number of locations upstream and downstream of the Boggabri Mine site, with the results provided to the EPA.

Our objectives as we endeavour to recover the mine are to:

- Achieve a safe and environmentally responsible outcome
- Reduce potential impacts on our employees, the local community and economy
- Achieve inter-agency coordination to ensure all needs are met
- Maintain the confidence of our customers, investors, employees and the community.

Next steps

IAR staff will finalise the licence variation application over the next few days and if you have any questions or require

further information, please contact Dr. Jan Green, Manager Corporate Sustainability and Environment on 07 32225600.

I thank you in advance for your consideration of these issues.

Yours sincerely

Peter Westerhuis

Executive Director - Operations

Idemitsu Australia Resources Pty Ltd



Idemitsu Australia Resources Pty Ltd

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