



Established 1907
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This fifth newsletter provides an update on the progress of the Rosehill and Castlerock Coal Projects, and is in line with Muswellbrook Coal Company's policy of keeping the community informed of activities at all stages of the Project.

current status of the project

Muswellbrook Coal Company commenced the Stage 2 exploration programme in November 1999 in the far south of the Castlerock area (EL 5600). To date a total of 47 shallow boreholes have been drilled across the both the Castlerock and southern Rosehill (EL5431) areas, accounting for approximately 63% of the expected boreholes to be drilled. Boreholes have ranged in depth from 15 metres up to 109 metres in depth. The majority of boreholes have intersected the target Whynot and Blakefield coal seams, however in some areas these seams have been subject to faulting and intrusions of volcanic rock, which have 'burnt out' the seams. Wet weather in March and April has put the programme behind by around two months. Please refer to the map over the page for details of the exploration areas.

environmental monitoring

Baseline environmental monitoring is continuing in the Rosehill and Castlerock areas at selected sites. This includes the collection of weather data, monitoring of groundwater wells/bores and surface water locations, and the measurement of dust deposition and airborne dust concentrations from various sites.

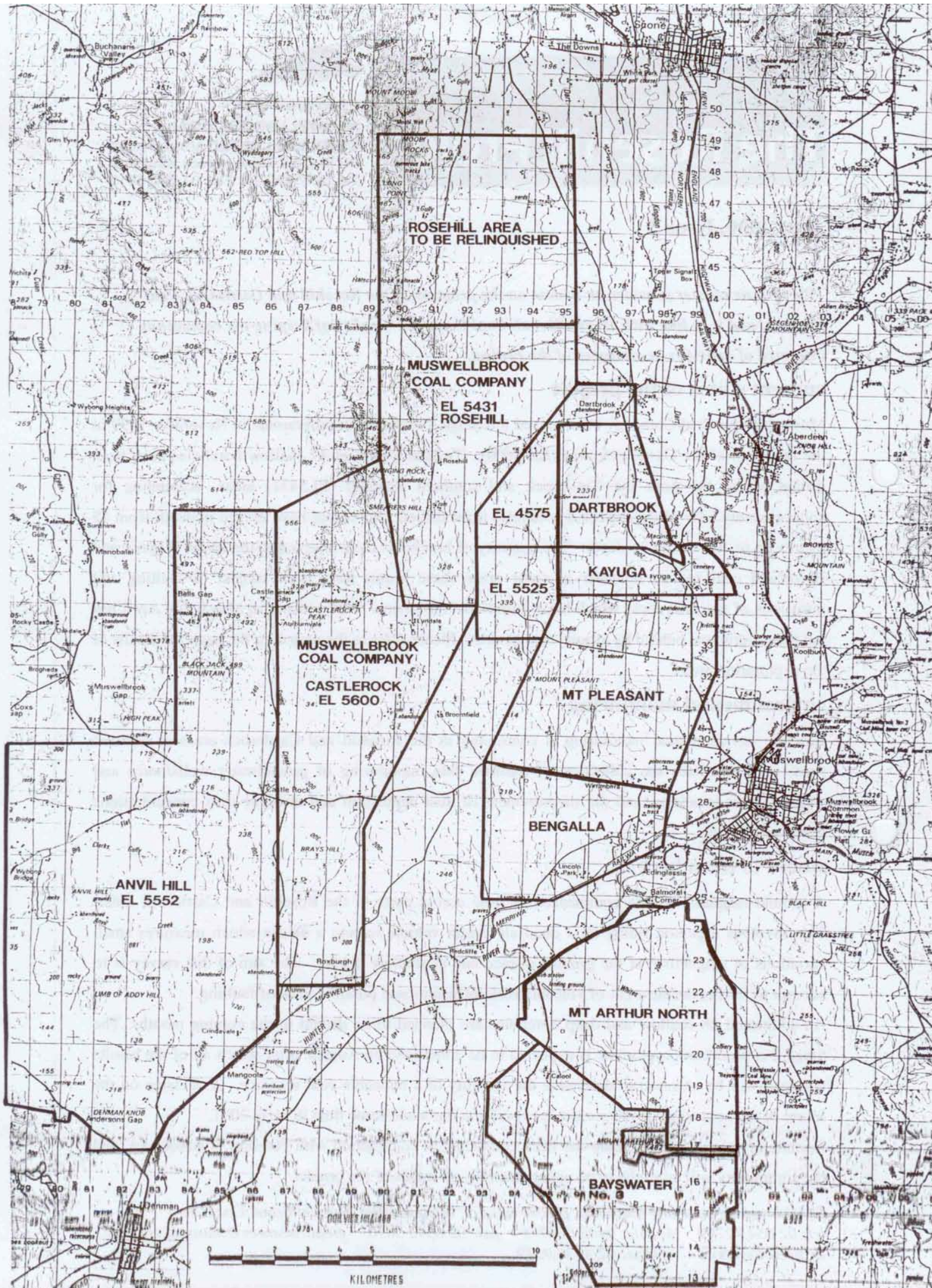
where to from here?

A ground magnetic survey commenced in June across parts of the Rosehill and Castlerock areas. This involves a person riding on a quad all-terrain vehicle towing a device which measures small variations of magnetism at the ground surface and at shallow depths. The aim of this survey is to attempt to further define areas of volcanic rock intrusions and possible lines of faulting.

An additional 28 shallow and deep boreholes are planned to be drilled in the coming months. The Stage 2 exploration programme is expected to be completed by August, after which all of the results obtained will be assessed to determine the viability of a mineable coal resource. A decision on the future of the next stage of the project is expected to be made some time in early 2001.

Community consultation to date has been conducted in conjunction with Peterkin & Associates, and the community will continue to be updated during all stages of the project.

*Should anyone have any questions, please contact: Mark Howes, Muswellbrook Coal Co.
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ROSEHILL AREA
TO BE RELINQUISHED

MUSWELLBROOK
COAL COMPANY

EL 5431
ROSEHILL

EL 4575
DARTBROOK

KAYUGA

EL 5525

MUSWELLBROOK
COAL COMPANY

CASTLEROCK
EL 5600

BENGALLA

MT ARTHUR NORTH

BAYSWATER
No. 8

ANVIL HILL
EL 5552



KILOMETRES