



Established 1907
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This ninth newsletter provides an update on the progress of the Castlerock Project, and is in line with our policy to keep the community informed of our activities at all stages of the Project.

Project Status

The instrument of renewal for the Castlerock Exploration Area (EL 5600) was received from the Department of Mineral Resources on the 26th November 2002, and will be renewed by Muswellbrook Coal Company, subject to Ministerial approval. Pending approval, this will allow both the Rosehill Exploration Area (EL5431) and the Castlerock Exploration Area to have tenure up until the 20th January 2006.

Future Exploration

Muswellbrook Coal Company's Board has approved the go ahead of the Stage 3B exploration programme, within both the Rosehill and Castlerock Exploration Areas. This programme will include detailed borehole drilling to determine the thickness, continuity and quality of the coal resource, along with further environmental monitoring. This exploration is expected to be completed by the end of 2003 or early 2004, after which a pre-feasibility study for open cut mine development is planned to be completed.

The proposed work programme for the Stage 3B exploration includes the drilling of around 150 boreholes with a diameter of 100mm by a truck mounted drilling rig, ranging from 20 metres up to 180 metres in depth. These boreholes consist of non-cored, fully cored and limit of oxidation boreholes. It is also planned to undertake four boreholes with a diameter of 300 mm. All drilling will be conducted in the area shown on the map over the page. Muswellbrook Coal will be in contact shortly with those affected landowners to discuss land access agreements.

It is also planned to conduct ground geophysics over selected parts of the Exploration Areas. This technique, which does not involve ground disturbance, includes magnetometer and/or seismic surveys over the land surface. Environmental monitoring will also be continued for dust, surface water, groundwater and meteorology.

Land Protocol

A public information session was held on the 24 September 2002, which included discussion on the Land Protocol. The Land Protocol was mailed out to all those Landowners within the boundaries of both the Rosehill and Castlerock Exploration Licence Areas in August 2002. This Protocol establishes principles and options available between Muswellbrook Coal and Landholders of any "mining land" and "mine impacted land" should the project proceed. The Protocol is designed to set out a clear path for future land use whilst necessary exploration activities continue.

Should anyone have any questions or requires further information about future exploration or the Land Protocol, please contact: Mark Howes or Chris Knight, Muswellbrook Coal Company, tel: 02 6543 2799 fax: 02 6542 5010; or Brett Peterkin on tel/fax 02 4938 9519.

