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Media Release

(For immediate release)

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The South Burnett economy faces a loss of at least **\$100 million a year** and up to **500 jobs** if the Kunioon coal mine near Kingaroy does not get the green light from Tarong Energy, Kingaroy Chamber of Commerce President Rob Patch warned this week.

“The Kunioon Mine is the only option that will ensure continued economic benefit for the region after the Tarong Mine closes in three years time,” Mr Patch said.

“In 2005, a study by ACIL Consulting estimated that the Tarong Mine, operated by Rio Tinto Coal Australia, contributed \$80 million to regional incomes with a value added component to the gross regional product of \$120 million a year.

“The average over three years surveyed – 2000, 2002 and 2005 – was \$100 million a year. If this continues with the development of Kunioon, the cumulative benefit over the 30-year life of the mine will be enormous.

“But this will be lost if Tarong Energy decides to go with either the Glen Wilga or Acland mines to meet their future coal needs.”

Mr Patch said he had been told by industry insiders that the coal from the Kunioon test pit was of similar quality to the current Tarong Mine. This meant that it was more than suitable for use in the Tarong and Tarong North power stations.

However, if the Kunioon option was not selected, it was unlikely that the value of this coal deposit would ever be realised to the Queensland economy as it was not of export quality.

In comparison, South Burnett residents should not be worried that if the Kunioon mine was approved they may have stopped development at Acland in nearby Rosalie Shire.

“I believe the Acland mine will continue no matter what the decision is with Kunioon as it is producing export quality coal,” Mr Patch said.

He said the idea of building either a railway line from Chinchilla or a railway line or conveyor belt from Acland seemed unbelievable when the Kunioon coal deposit was “right next door” to Tarong in comparison.

“It is even more unbelievable when you consider the effect on the local shires,” he said.

The KCCI was particularly concerned about the effect the loss of Tarong Mine would have on the local business community.



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“While there is no doubt that a couple of businesses may benefit initially if the Acland option is selected, this will not replace the huge loss of ongoing business from Tarong and the multiplier effect of Tarong Mine wages,” he said.

“This loss of salaries alone will impact heavily on the community however there is also the loss of apprenticeships for our young people and the loss of related jobs in other local industries.”

Mr Patch said it had been estimated that between 400 and 500 jobs would disappear in the South Burnett if the Kunioon mine option did not go ahead.

“In comparison, if Kunioon is selected there is at least 30 years coal available which will ensure a continuity in local employment and business planning.”

[ENDS]

**For more information, phone
KCCI president Rob Patch 0407-628-778 or
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NB. High resolution photos of Rob Patch available



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Background Information re Tarong

Tarong Energy, a Queensland Government owned corporation, owns the Tarong and (in conjunction with TM Energy Australia) the Tarong North power stations.

Rio Tinto Coal Australia, one of Australia's leading mining companies, operates the adjacent Tarong Coal Meandu Mine and currently is the sole supplier of coal to these power stations.

Tarong Energy's contract with Rio Tinto Coal Australia expires in 2010 and it is seeking "a new reliable and competitively priced coal supply" to replace the Meandu coal.

A number of alternatives are under consideration including mines at Glen Wilga, Kunioon and New Acland.

Glen Wilga is near Chinchilla, about 150km from Tarong and Tarong North Power Stations. Tarong Energy owns this deposit and has been carrying out drilling and evaluation work for some years. A rail corridor has been identified to link the mine with Tarong.

The Kunioon deposit is situated between Tarong and Kingaroy and is owned by Rio Tinto Coal Australia. Tarong Energy has an option to purchase the rights to Kunioon and has until the middle of 2007 to take up this option.

New Acland Mine is located about 75km from Tarong. Tarong Energy has an agreement with New Hope Coal Australia to provide an option to purchase 5.7 million tonnes of coal per annum from 2011. A rail or conveyor belt corridor has been identified to link New Acland with Tarong. Tarong Energy has until the middle of 2007 to exercise this option.

Coal exploration by Rio Tinto in the Tarong area began in 1967 with test drilling in the Meandu and Kunioon areas.

The Tarong mine started coal deliveries in 1983 and the first unit at the Power Station was commissioned in early 1984. Tarong North power station was commissioned in 2003.

[ENDS]