

## MEDIA RELEASE



# KUNIOON OPTION SECURES TARONG'S FUTURE

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Tarong Energy's recommendation that the Kunioon resource in the South Burnett region be chosen to power Tarong and Tarong North power stations into the future has been accepted by the Queensland Government.

Tarong Energy Chief Executive Officer Helen Gluer said today the decision meant the Corporation plans to invest \$500 million and create hundreds of jobs in the South Burnett region during the construction of the mine and associated coal conveyor.

"This decision is great news for Tarong Energy and great news for the South Burnett," Ms Gluer said.

"The selection of the Kunioon resource not only provides a long-term fuel source for the power stations, but it underpins the economic security of the South Burnett.

"Up to 750 jobs will be created during the construction phase of the Kunioon mine and coal conveyor across the region and Queensland. The new mine will provide more than 500 direct and flow-on jobs throughout the South Burnett and across Queensland."

Tarong Energy recommended the Meandu/Kunioon option to the Queensland Government as its preferred future fuel source after a thorough investigation of possible fuel alternatives.

The other fuel source options were to build a 71km conveyor from an expanded New Acland Mine (owned by New Hope Corporation) near Goombungee, or develop a mine at Glen Wilga (near Chinchilla) and construct a 150km rail line. The Meandu/Kunioon option involves a 16 kilometre conveyor.

"A tremendous amount of work has been done to assess a complex range of factors for each option," Ms Gluer said.

"These included whole-of-life cost, coal quality and quantity, social and economic impacts, environmental impacts and cultural heritage.

"The Meandu/Kunioon fuel option emerged as the alternative that would deliver the most cost-effective and flexible solution for supplying coal to the power stations over the long term."

Tarong Energy is working with its joint venture partners to take the steps required to implement the decision.

Under the project, Tarong Energy will take over ownership of the existing Tarong Mine (also known as Meandu) from Rio Tinto Coal Australia (RTCA), and engage an experienced mining company to operate the mine. Tarong Mine employees will be offered positions with the mining contractor on no less favourable terms.

Tarong Mine will continue to supply the power stations until a new mine at Kunioon is operational. Tarong Energy will take control of the Kunioon Mineral Development Licence from RTCA as part of the project.

Tarong Energy began telephoning all landowners affected by the fuel project immediately after the announcement to advise them of the decision.



“Negotiations will continue with the 80 landowners on the Kunioon resource and conveyor alignment,” Ms Gluer said.

“Tarong Energy will continue to work closely with landowners to ensure they are fairly compensated.”

An Environmental Impact Statement (EIS) for the project will be lodged with the Queensland Environmental Protection Agency and the Federal Department of Environment & Water Resources, and made available for public comment, in the near future.

The EIS will address all of the project’s potential environmental impacts and recommend measures for either preventing or minimising them. Construction of the mine and transport infrastructure will begin after the EIS and other approvals are given.

Tarong Energy’s option to buy coal from the New Acland resource will now lapse and marks an end to the Corporation’s interest in acquiring property in the associated transport corridor.

The Glen Wilga resource, owned by Tarong Energy, is a valuable asset and the Corporation will carefully consider how best to manage the resource and the land it has either acquired or has an option over.

“This has been a vitally important decision for Queensland, and we thank all of the local communities for the patience they have shown during our assessment of the fuel source options,” Ms Gluer said.

For more information about the Fuel Project, visit the Yarraman information centre in Margaret Street, freecall 1800 206 722, visit [www.tarongenergy.com.au](http://www.tarongenergy.com.au), or email [info@tarongtransportalliance.com.au](mailto:info@tarongtransportalliance.com.au)

### **Background**

Tarong Energy is one of Queensland’s most significant power generators, with the capacity to deliver 18 per cent of the State’s power needs.

Established in July 1997 and owned by the Queensland Government, Tarong Energy is the owner and operator of Tarong Power Station (coal fired) and Wivenhoe Power Station (pumped storage hydro), and is part owner of the Tarong North Power Station (coal fired).

The Corporation is an active competitor in the National Electricity Market (NEM). The Corporation sells electricity into the NEM spot market pool and provides ancillary services to the National Electricity Market Management Company (NEMMCO) through Tarong and Wivenhoe Power Stations to ensure the secure and reliable supply of electricity throughout Queensland.

Tarong Energy employs more than 400 people at its generating sites at Nanango and Wivenhoe Dam and in its Brisbane office.

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