



For more information or to view original documentation please contact  
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## ***What lies beneath* our government and our precious Sydney water catchment of Helensburgh?**

Its not just the methane gas that has the potential to ruin our beautiful region.....

For decades Council , State Planning , Tourism, Sydney Water and Conservationists all agreed with the residents of the '2508' district - that the rainforested land nestled between the Royal National Park south of Sydney, and the start of the Illawarra escarpment., and the aquifer plateau of Helensburgh above that sustains it, should be awarded a conservation zone only second to National parkland.

The 1990 Wollongong Local Environment Plan commenced the 7d conservation zone and held strong despite a 1994 Commission of Inquiry lobbied by developers including the Walker Corporation, to rezone for development. Residents and conservators of the surrounding National parks breathed a sigh of relief that finally Wollongong Council, Sutherland Shire Council, NSW State Planning were committed to maintaining the high 7D (P1) Hacking River catchment zoning.

But as we entered a new millenium, so too did we have a shuffle in the ministry portfolios, chairpersons on Authorities and the germination of Labor's new planning legislation to remove community , councils and environment organisations' power to say No.. **Any legislation that hindered the new money making machine has relatively quickly become an amended bill, proposed and passed, or nominated and seconded, from new Heritage Council composition to Part 3A rules all.**

**A perfect example is our precious Sydney Water Catchment of Woronora, which also borders the Garawarra and Heathcote national park. It is not only suffering from the subsidence effects of Peabody Coal's Metropolitan - long wall mining approved by Premier Keneally, the same region is now under the threat of Coal Seam Gas - methane mining. Though touted with the benefit of less greenhouse emissions than coal burning for electricity, its method of extraction comes at a price of 'fracking' - fracturing the coal layers just 300 or 400m down, pumping massive amounts of water and chemicals down, and up to the surface again, and hopefully trucked away.**

Unfortunately despite the billions of dollars that can be potentially generated by the latent gas, profits haven't stopped the disaster of poisoned bore water and the now endangered Delaware River in the USA caused by 'fracking', or the dumping of tainted water in the NSW Hunter Valley by AGL in its exploration of coal seam gas. The industry and exploration of Coal seam gas mining is relatively new in Australia and so inherits a 'learn on the job' methodology when it comes to accidents, disasters and hurdles. Let alone the dangers of fracking in a region fraught with potential subsidence and risking the purity of the drinking water rivers.

**So its of great surprise (or perhaps not) that the Helensburgh, Stanwell Tops and Otford community have been kept in the dark over the plans by Apex Energy, Peabody Pacific's Metropolitan Mine Helensburgh , State Planning and Wollongong City Council.**

continued .....2/

2/ What Lies beneath our government and our precious Sydney water catchment of Helensburgh?

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For the past few years the '2508' community has viewed a number of planning proposal's and draft LEPs that initially mirrored the 7d conservation zoning with a high conservation E2 zoning. Following the dismissal of Wollongong Council and new state appointed administration in 2008, the pro-conservation DLEP was withdrawn, and Willana Planners appointed to produce a desktop study of the 7D lands. The resultant report was a Developers Wish book. Community were outraged and further distressed when after compiling submissions on the proposed plans, Council planners translated 7D zoning into a lower E3 than the promised E2, just four days before they submitted the Draft LEP to State planning for gazzetal. Then in May this year, council released the Preliminary review on 7D lands, an improvement on the Willana report, but still with greatly extended areas for industrial zoning across lands of high conservation value, tributary creeks, and steep land of high subsidence and slippage risk.

Not surprising the community residents and National park groups have all been asking, WHY?

Through researching rezoning and subsidence issues from coal mining, **Natasha Watson of the Otford Protection Society, uncovered 2006 Apex Energy & Metropolitan Coal plans to build a large methane gas fired power station adjacent to the Helensburgh Princes Highway Gateway on the Sydney Water catchment. Documents included letters of Agreement between Apex Energy and Peabody Metropolitan Coal, including one of their objectives in a discussion paper dated August 9, 2010;; that though they have a joint agreement for mining and profits, Peabody requests that their name not be 'publicly' directly linked, for fear of any problems!**

The plans for the station plus 18 drill sites including a test methane bore on the land right behind Symbio Wildlife Park, would have come as a great shock to the local community, except perhaps a select few speculator landowners and Wollongong City Council planning. **And as of May this year, the power station site is now proposed just a bit further down the Princes Highway at Darkes Forest, and the potential drill holes are scattered across the Metropolitan colliery workings, under our Sydney Water Catchment Woronora area, including nearby to the Garrawarra Aged Care Facility.**

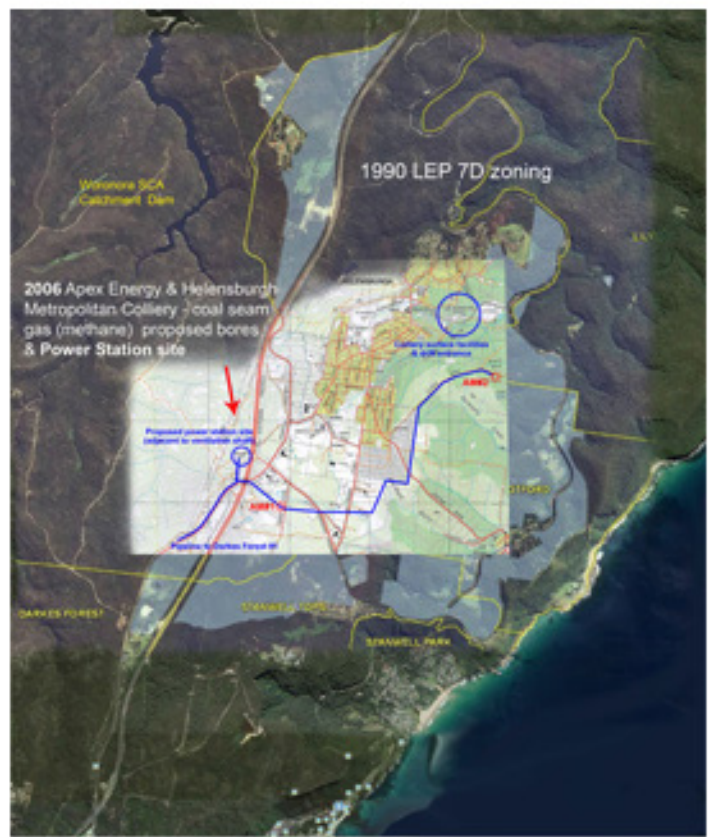
What makes the relaxation of the high conservation zoning of the Helensburgh Hacking River catchment and the carte blanche invitation to foreign mining and petroleum companies into our state conservation and drinking water catchment, suddenly no longer incredible, is a quick study of the state government seats of power and Wollongong City Council over the past six or seven years. Timeline of NSW State Government & WCC Planning

Who or what is to really benefit from so much land across NSW being rezoned for development and infrastructure for coal seam gas exploration at such a high price to the environment and communities?

**The proposed nearby drill sites, gas power station and letters of agreement between Apex Energy and Peabody Metropolitan Colliery - Helensburgh, all with the DoP Part3A Director General's signature of approval, certainly make it clearer why Council is pushing to rezone so much of the the 2508 regions conservation land to industrial. For shame, that they didn't choose, as promised following ICAC in 2008, to be more transparent and involved with the residential community.**



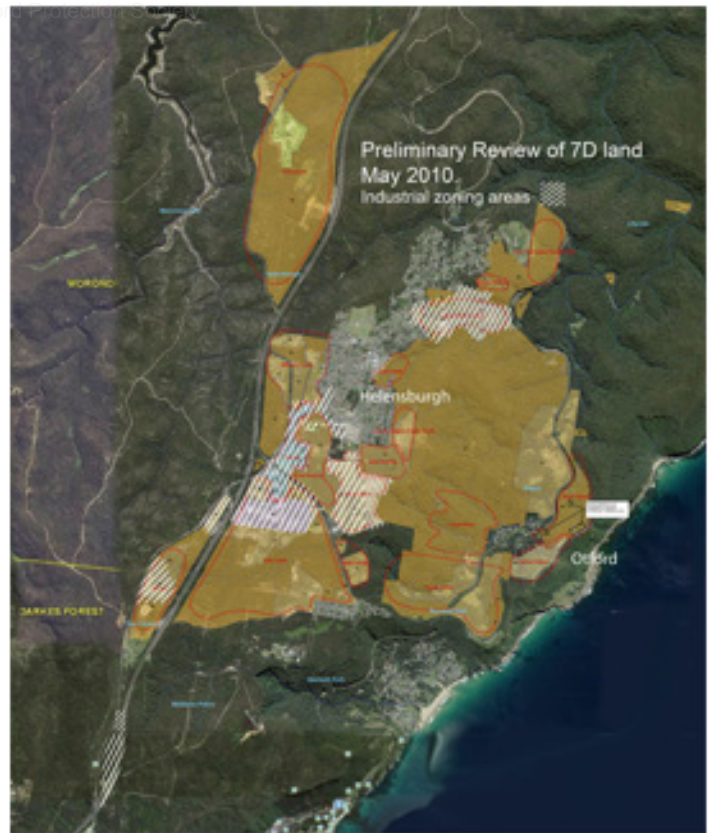
**7D Hacking River Catchment protection zoning, high conservation second to only national park zoning**



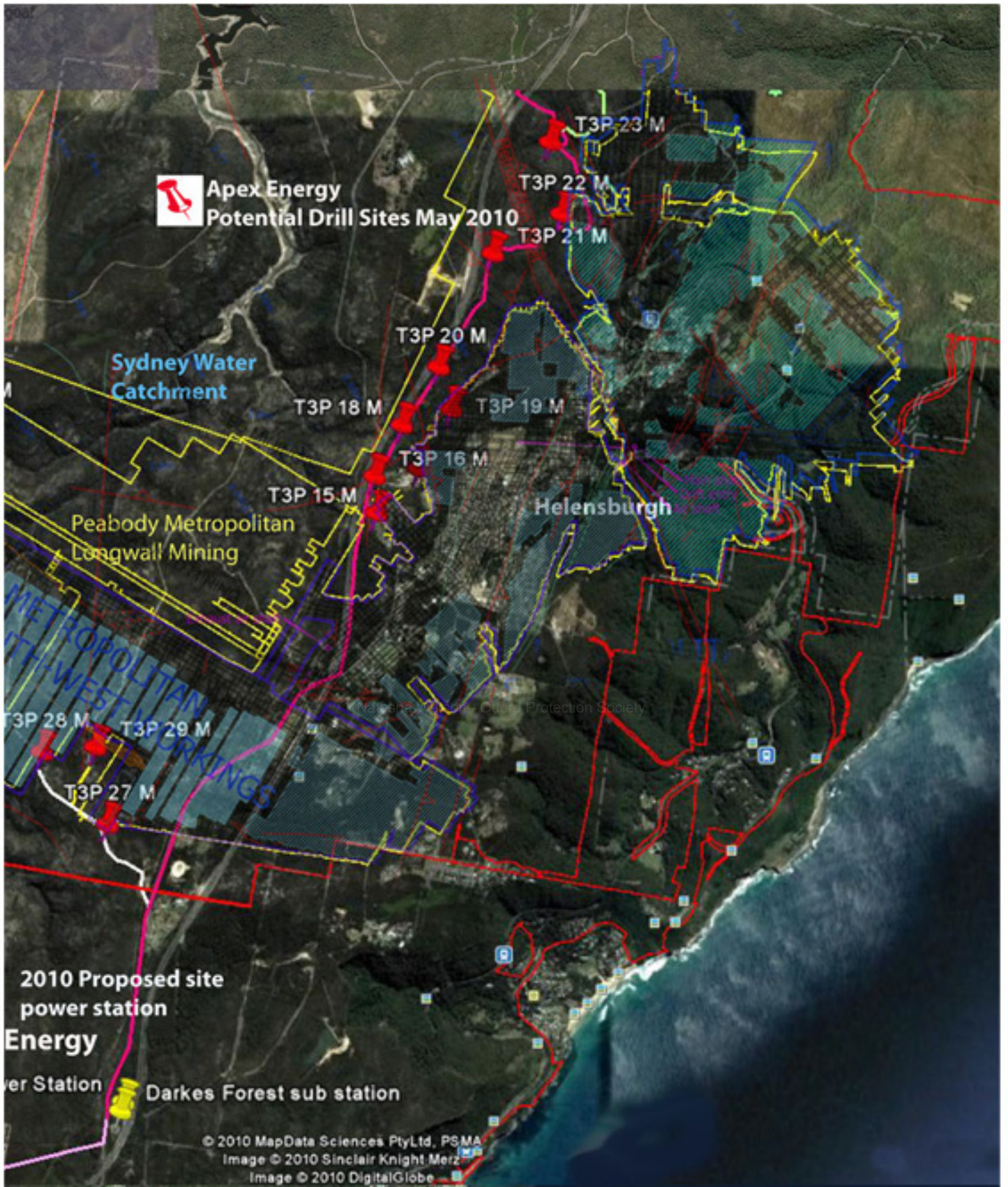
**2006 proposed Apex Energy methane gas fired power station adjacent to the Helensburgh gateway & gas bores**





**2009 Willana Desktop review -Proposed pro-development rezoning. 7D switched to E3 zoning instead of E2**



**Preliminary Review of 7D land 2010 following interim zoning of Gazetted 2010 LEP -extended industrial areas**

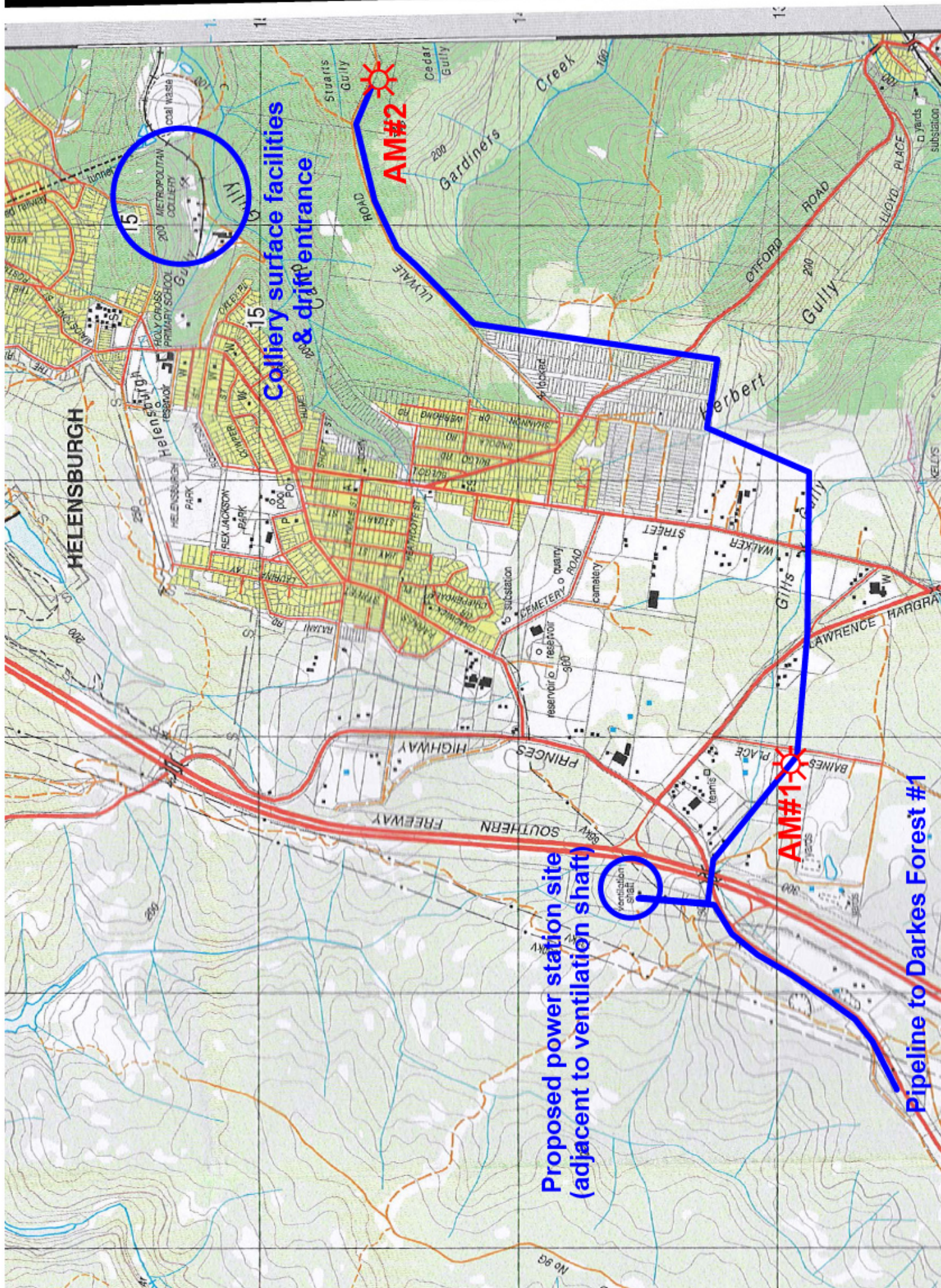


May 2010 - Potential CSG (coal seam gas - methane) drill sites  over the Sydney Water Catchment area and Peadbody Metropolitan Long wall mining , plus proposed site for methane gas fired Power Station  on the Princes Hwy. Apex Energy are also proposing further stations for gas processing.

YEAR	WOLLONGONG	STATE	STATE PLANNING	State portfolios	AUTHORITY	LEP	ACTIONS	2508 REGION	FEDERAL	Coal Seam GAS MINING
1984-88						Wollongong Local Environmental Plan No 38 (LEP No 38) replaced the IPSO on 2 March 1984				
1987	Dept Town Clerk – Rod Oxley	Premier – Barry Unsworth								
1988	General Manager WCC- Rod Oxley	Premier -Nick Greiner	Planning&Environment – Bob Carr							
1989	General Manager WCC- Rod Oxley	Premier -Nick Greiner	Minister for Housing – Peter Dransfield							
1990	General Manager WCC- Rod Oxley	Premier -Nick Greiner	Director General of Planning – G Kibble		Peter Dransfield, director Walker Corp requests G Kibble to rezone Helensburgh for development urgently	1990 LEP 7d ZONING to protect the Hacking catchment of the 2508 district				
1991	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier -Nick Greiner								
1992	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier -Nick Greiner Premier John Fahey								
1993	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier – John Fahey	Minister Planning R Webster DG – Kibble				NSW State Heritage Register created			
1994	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier – John Fahey	DG of Planning – Gabrielle Kibble supports COI for developers				1994 Commission of Inquiry due to demand of developers. Ensilie, Walker Corp – Lakatoi			
1995	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier-Bob Carr	Minister Urban Affairs & Planning Craig Knowles							
1996	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier-Bob Carr	Minister Urban Affairs & Planning Craig Knowles		State Govt confirms Environmental Protection of 2508					
1997	General Manager WCC- Rod Oxley-Lord Mayor Wollongong-D Campbell	Premier-Bob Carr	Minister Urban Affairs & Planning Craig Knowles		G Kibble on Sydney Water Corp board					
1999	General Manager WCC- Campbell Lord Mayor Wollongong-D Campbell W CC-Bromwyn Seidon	Premier-Bob Carr	Minister Urban Affairs & Planning Craig Knowles	Minister Mineral Resources -Eddie Obeid			no rezoning for development without extensive studies first			
2000	General Manager WCC- Rod Oxley	Premier-Bob Carr		Minister Mineral Resources -Eddie Obeid						
2001	General Manager WCC- Rod Oxley	Premier-Bob Carr		Minister Mineral Resources -Eddie Obeid						
2002	General Manager WCC- Rod Oxley	Premier-Bob Carr		Minister Mineral Resources -Eddie Obeid						December 3, 2002 Helensburgh Coal & Apex Energy Agreement
2003	General Manager WCC- Rod Oxley	Premier-Bob Carr	Minister Infrastructure & Planning Craig Knowles	Energy Minister-Sartor Minister for Lands-Tony Kelly Minister Regional Development-David Campbell Minister Primary Industries – Tony Kelly						July 25, 2003 Apex Energy & Sun Resources CSIM/CMM Farmin Agreement Petrol Exploration Licence No442 of South Sydney Basin -Illawarra

High number of

YEAR	WOLLONGONG	STATE	STATE PLANNING	State portfolios	AUTHORITY	LEP	ACTIONS	2508 REGION	FEDERAL	Coal Seam GAS MINING
2004	General Manager WCC- Rod Oxley	Premier- Bob Carr	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Energy/Minister-Sartor Minister for Lands-Tony Kelly Energy/Utilities-Sartor Director General Planning - Sam Haddad Minister - Planning - Sam Haddad Minister for Lands- Tony Kelly	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald Minister Regional Development-David Campbell, DG Primary Industries - Barry Buffler Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	land transfers	Lakatoi /HLPG request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Shadow Minister for Mining & Energy Hunter - Joel Fitzgibbons		
2005	General Manager WCC- Rod Oxley	Premier- Morris Iemma	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Sydney Water Board- G Kibble	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage
2006	General Manager WCC- Rod Oxley -Carron, Martin, Esen, Jonovski, Zanotto	Premier- Morris Iemma	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Heritage Council - Gabrielle Kibble, Sam Haddad	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage
2007	General Manager WCC- Rod Oxley	Premier- Morris Iemma	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Heritage Council - Gabrielle Kibble, Sam Haddad	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage
2008	WCC Administrators Appointed with Gabrielle Kibble	Premier Morris Iemma , Premier- Nathan Rees	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Heritage Council - Gabrielle Kibble, Sam Haddad	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage
2009	WCC Administrators still Appointed with Gabrielle Kibble	Premier Rees until Dec09 Premier Keneally	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Heritage Council - Gabrielle Kibble, Sam Haddad	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage
2010	WCC Administrators still Appointed	Premier Keneally	Minister Infrastructure & Planning Craig Knowles Minister for Lands- Planning Minister for Lands- Tony Kelly	Director General Planning - Sam Haddad Energy - Joe Tripodi State Development- Iemma	Minister Regional Development-David Campbell Primary Industries - Ian MacDonald	Heritage Council - Gabrielle Kibble, Sam Haddad	request spot rezoning for LCE - rejected by Council Between 2003 and 2009	Urban capacity study done with real estate agents & developer input	Member for Hunter - Joel Fitzgibbons wife bought (sauce) Golden Tiger Mining Shares	DG Primary Industries letter to Metropolitan Coal for coal lease to include methane drainage



# Major Project application



NSW GOVERNMENT  
Department of Planning

Date received: 27/07/07

Project Application No. 07-0103

## 1. Before you lodge

This form is required to apply for the approval of the Minister to carry out a project to which Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act) applies.

Before lodging this application, it is recommended that you first consult with the Department of Planning (the Department) concerning your project.

A Planning Focus Meeting (PFM) may need to be held for this project involving the Department, relevant agencies, council or other groups identified by the Department. If a PFM is held, the Department will issue the Director-General's requirements for the Environmental Assessment following the meeting.

**All applications must be lodged with the Director-General, by courier or mail. An electronic copy should also be emailed to the assessment contact officer assigned to the project.**

NSW Department of Planning  
Ground floor, 23-33 Bridge Street, Sydney NSW 2000  
GPO Box 39 Sydney NSW 2001  
DX 10181 Sydney Stock Exchange  
Phone 1300 305 895

## 2. Details of the proponent

Company/organisation/agency	ABN	
<u>Apex Energy</u>	<u>40 057 997 914</u>	
<input checked="" type="checkbox"/> Mr <input type="checkbox"/> Ms <input type="checkbox"/> Mrs <input type="checkbox"/> Dr <input type="checkbox"/> Other		
First name	Family name	
<u>John</u>	<u>Carmody</u>	
Position		
<u>Chief Executive Officer</u>		
STREET ADDRESS		
Unit/street no.	Street name	
<u>Suite 1/44</u>	<u>Bridge Street</u>	
Suburb or town	State	Postcode
<u>SYDNEY</u>	<u>NSW</u>	<u>2000</u>
POSTAL ADDRESS (or mark 'as above')		
<u>as above</u>		
Suburb or town	State	Postcode
Daytime telephone	Fax	Mobile
<u>02 9251 0410</u>	<u>02 9251 0082</u>	<u>0417 274 212</u>
Email		
<u>jcarmody@apexenergy.com.au</u>		



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SUMMARY OF JOINT VENTURE AND PROPOSED PROCESS GOING FORWARD

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Author – Chris Lawrence – Corporate Development Manager Apex Energy

Metropolitan Collieries Pty Ltd, as mine Owner, and Helensburgh Coal Pty Ltd, as mine Operator, (both subsidiaries of Peabody Pacific) together with Apex Energy NL and (now) Sydney Basin CBM Pty Ltd (100% subsidiary of Apex), entered a Joint Venture Agreement on 18 April 2005 for extraction of methane, via an unincorporated JV (the JV), and that Agreement has been registered by the Department of Primary Industries against Coal Lease 379, CCL 703, Authorisation 200 and sub-lease (from Endeavour Coal) of CCL724

The JV assets are held as tenants in common in perpetuity, with initial interests, subject to Participating Interests (below), being 80% Apex/ SBCBM and 20% Metropolitan/ HC. Apex is the Manager of the JV and is to pay all JV and Project costs (subject to Participating Interests below). The participants have first right of refusal over any sale of JV interests.

With changes that have transpired since the 2005 JV Agreement was entered, including the regulatory regime under which methane can be exploited; the new carbon emissions environment; that the colliery emphasis has changed from drainage gas; a 22 year extension to the Metropolitan mine plan granted in June 2009; and the current commercial energy environment – the JV Agreement is under review to better align with the current circumstances. The ongoing discussions are acknowledged between the parties in a letter from Peabody dated 1 April 2009. Three boreholes under the JV have been included in the 18 borehole Part3A approval process, and though the three were removed from the final Application so as to avoid any possible disruption to the then Metropolitan mine Part3A (now approved), each of the parties, including the NSW Department of Planning, agree to reinstate those boreholes under variation.

Project “Participating Interests” (current Agreement)

- each party may take its % share of gas for own disposal on basis of:

- a) where gas is from Bulli seam (including goafs) 80% Apex and 20% Metropolitan
- b) gas from all other seams, on a per seam basis, at Metropolitan option:
  - i) Apex 100% costs for 95% of product and Metrop 5% of product free carried, or
  - ii) Apex 85% of costs for 80% of product and Metropolitan 15% contributing + 5% free carried

-Metropolitan is entitled to any carbon credits OTHER than credits for conversion of methane to electricity (including NGACS), with those credits to be vested in the electricity generating party.

2/ objectives of Peabody/ Metropolitan

### From Discussion Paper between Apex Energy and Metropolitan Colliery 6.8.10

Following the public scrutiny of the application for extension of the Metropolitan Colliery (now approved), and the problems they have had due to surface water disappearance and land subsidence, Peabody is very sensitive to having their name associated with any further resource development project (ie CSM extraction) lest it attract unnecessary attention and further aggravation.

Peabody would prefer not to have its name directly associated with surface aspects of exploitation. Whilst it has primary concerns about any drilling activity potentially impacting on coal mining operations (easily managed), more importantly it would rather not be directly involved with any surface problems which may be brought to the attention of the Sydney Catchment Authority or other Landowners, and that any public attention not be to the detriment of their underground coal mining activities.

Apex preferred position is also not to have Peabody (Metropolitan) directly associated with the gas extraction/ commercialization operations.

#### 3/ the (Apex) proposed relationship

The preferred position, which also would appear to suit both parties purpose, is for Metropolitan Colliery to allow Apex (and Sydney Basin CBM Pty Ltd) to apply for a PEL over the CCL areas for exploitation of the methane by whatever means.

Metropolitan would be given a Net Profit Interest (NPI) in commercialization of gas, in the same format as other CCL relationships Apex currently has in the region. A collaborative committee would be formed where Metropolitan is kept informed on proposed activities on the CCL, and Metropolitan has the right of veto on the basis of any risk to their coal mining activities.

The primary focus of the PEL would be exploitation of gas away from the coal mining areas, however, there is definite additional opportunity to work with the mine to drain gas ahead of mining activities, and to commercialize, or reduce the mine liability, in relation to fugitive emissions from their underground activities.

Apex believes this NPI interest (with Committee) could be practical and functional for the parties to coexist in the same geographic area. Indeed, an Agreement for Apex to apply for a PEL over the area as executed by the parties in 2002 would still today be very relevant and require very little amendment.

Current legal advice to Apex on the approach of Apex applying for a PEL is positive. One recently emerged area which needs to be delineated is responsibility for fugitive gas emissions. With the proposed Carbon Pollution Reduction Scheme, and Carbon Trading system, it is imperative that Apex does not inadvertently take on any potential future liability in relation to emissions from coal mining activities.