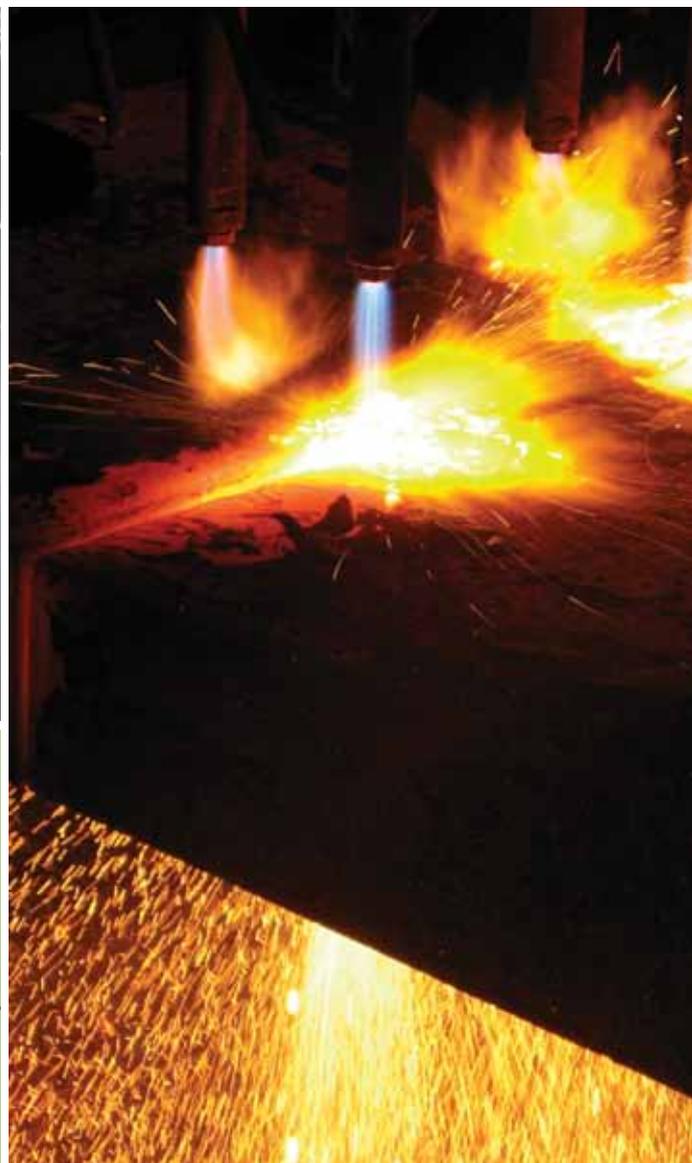
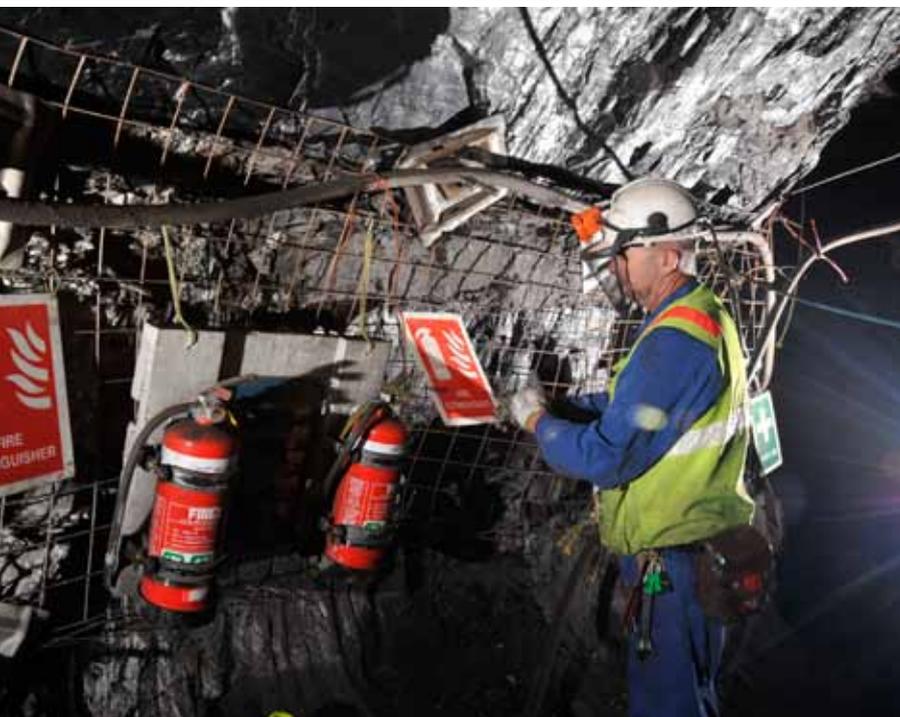
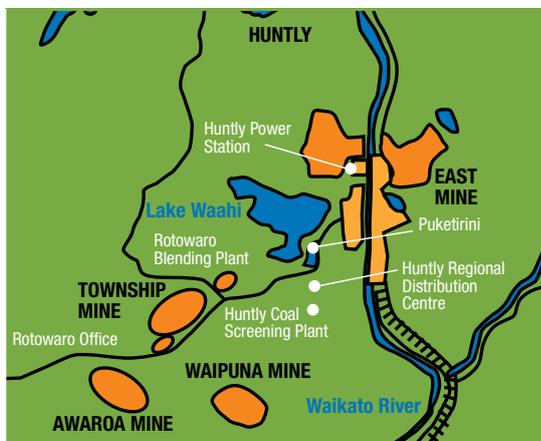
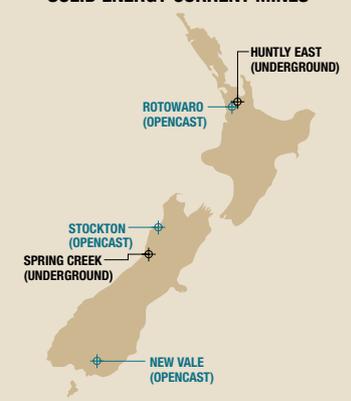


Huntly East Mine



SOLID ENERGY CURRENT MINES



Top Left: Checking fire suppression equipment underground at Huntly East Mine; Right: Slabmaking Plant at New Zealand Steel's Glenbrook Mill (Photo courtesy of New Zealand Steel).

Huntly East Underground Mine is located immediately north of Huntly township, approximately 100km south of Auckland. The mine entries and surface facilities are on the east side of the Waikato River, while all current mine development and coal extraction takes place on the west side. Underground roadways extend 150 metres beneath the river to connect the two areas. Coal is loaded directly onto a branch railway at the mine, which connects to the nearby main trunk line.

In production since 1978, Huntly East's two productive coal seams are 8 to 20 metres thick and lie 150 to 400 metres deep.

Approximately 7 million tonnes (Mt) of recoverable coal are available for extraction in the consented mining areas. Approximately 12 Mt of further coal are available immediately adjacent for future expansion.

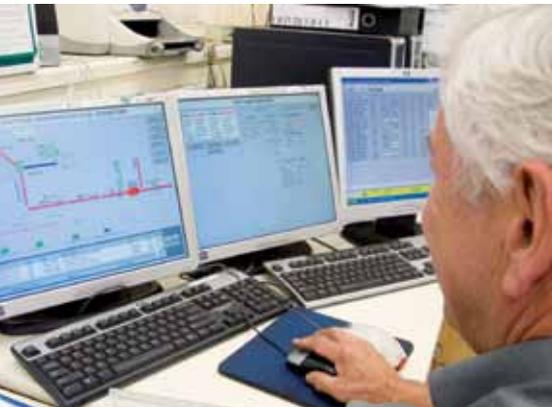
All coal is extracted using large, electrically powered, remote-controlled continuous miners. These load the coal onto shuttle cars, which carry the coal to conveyor belts, transporting it to the surface. On the surface, the coal is screened, sized and loaded into bins ready for distribution from the rail and road loadout.

Seismic exploration and surface and underground drilling help understand the

geological structure and to locate the many large and small faults and folds occurring within the seam.

The majority of the 450,000 tonne annual production from Huntly East Mine is sold to New Zealand Steel's nearby Glenbrook plant.





Top Left: Huntly East Mine Control Room; Middle: Extraction crew underground; Right: Coal stockpile.

Specifications of Huntly Coal

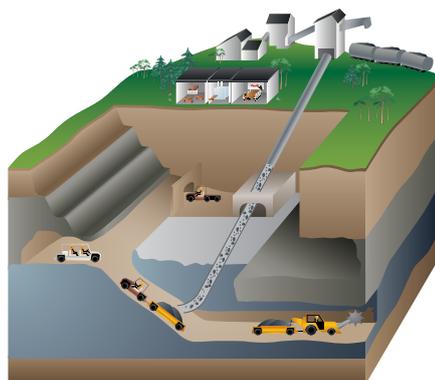
The coal is sub-bituminous rank with low ash and low sulphur content and relatively high energy content. These qualities make it suitable for a wide range of markets, including steel production, industrial use and electricity generation.

Steel:

About 95% of the coal mined at Huntly East Mine is railed directly to New Zealand Steel's mill at Glenbrook where the plant has been specially designed to produce steel from West Coast ironsands and Huntly coal. Most steel production comes from iron made in blast furnaces using coal and coke as both an energy source and a reducing agent in the production process.

Industrial:

The high qualities of Huntly's sub-bituminous coal are also sought after by lime manufacturers, meatworks, timber processing, and other light industrial and horticultural suppliers throughout the North Island. A small proportion of Huntly's annual production goes to these customers.



Underground Mining – A Pictorial View.



Layout of Huntly East Mine.

Environmental

Solid Energy has created valuable ecological wetlands around the mine operations as part of an environmentally friendly treatment of mine water discharge. In a symbiotic relationship, the mine discharge provides the water that ensures that the Kimihia wetland flourishes.

Kimihia wetland was created to neutralise and cleanse the mine water discharge and to compensate for the subsidence that sometimes occurs to the land above the mine operations. The mine water discharge is first treated in a primary settling pond underground, then in a surface silt pond, prior to discharging to the Kimihia wetland for final filtering. The water discharging from the wetland is of very high quality.

To ensure that environmental obligations are consistently met and employees clearly understand their specific roles, an Environmental Management System was installed at the mine in 1996.

Community Commitment

Solid Energy employs approximately 200 staff at Huntly East Mine. The company provides mining apprenticeships and work experience opportunities for local young people. Goods and services supplied to the company, including coal haulage and transportation, provide additional employment and contracting opportunities. Solid Energy recognises its commitments to its local communities through community support programmes and regular consultation with community groups and other key stakeholders. Community support at Huntly includes support for schools, community service and sporting groups and local events.