

Chain Valley Colliery Consolidation Project (SSD – 17017460)

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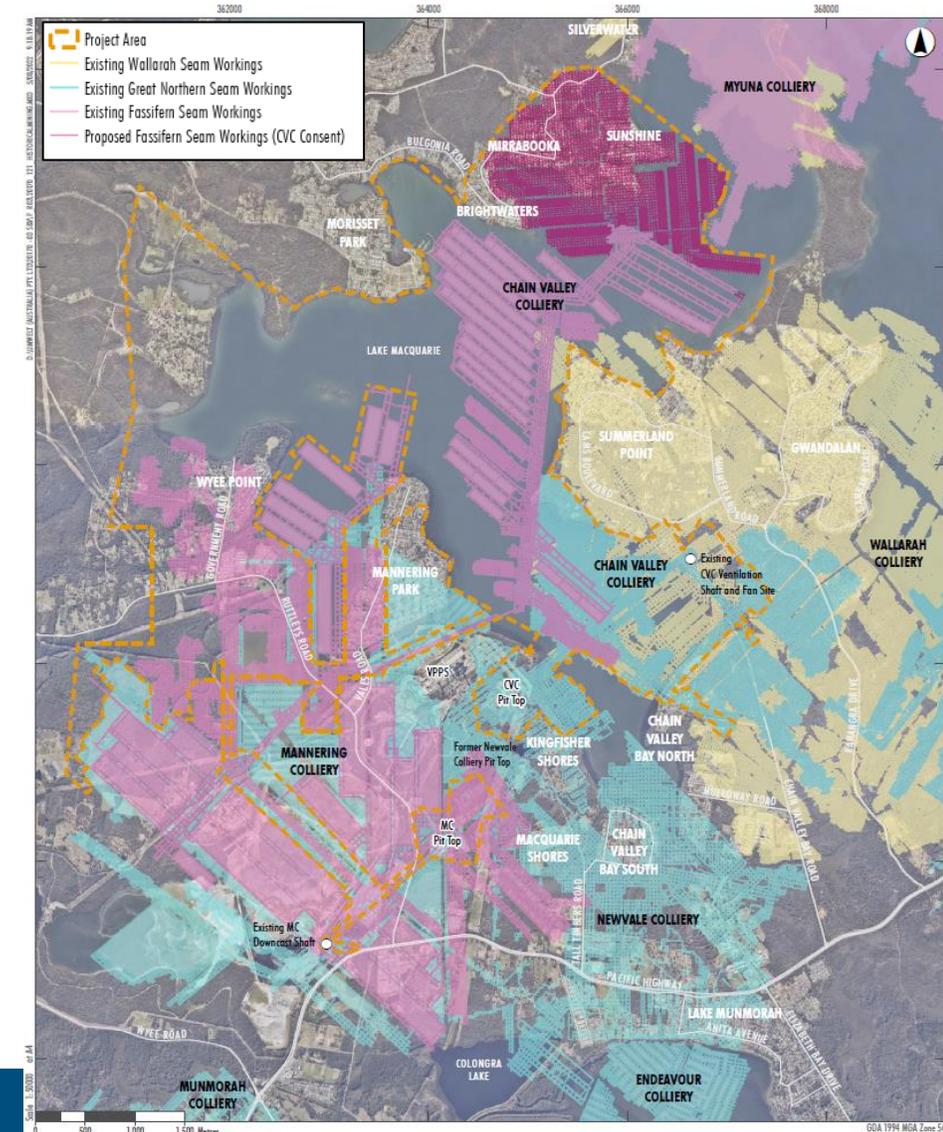
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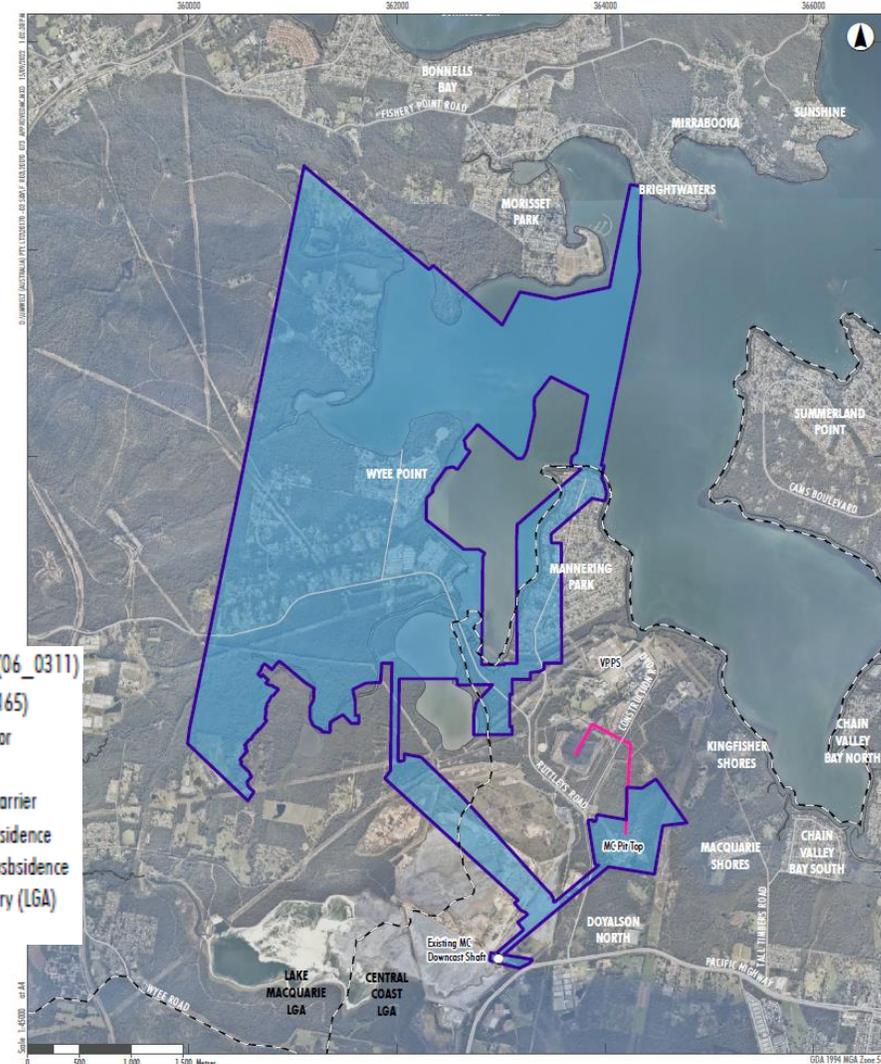
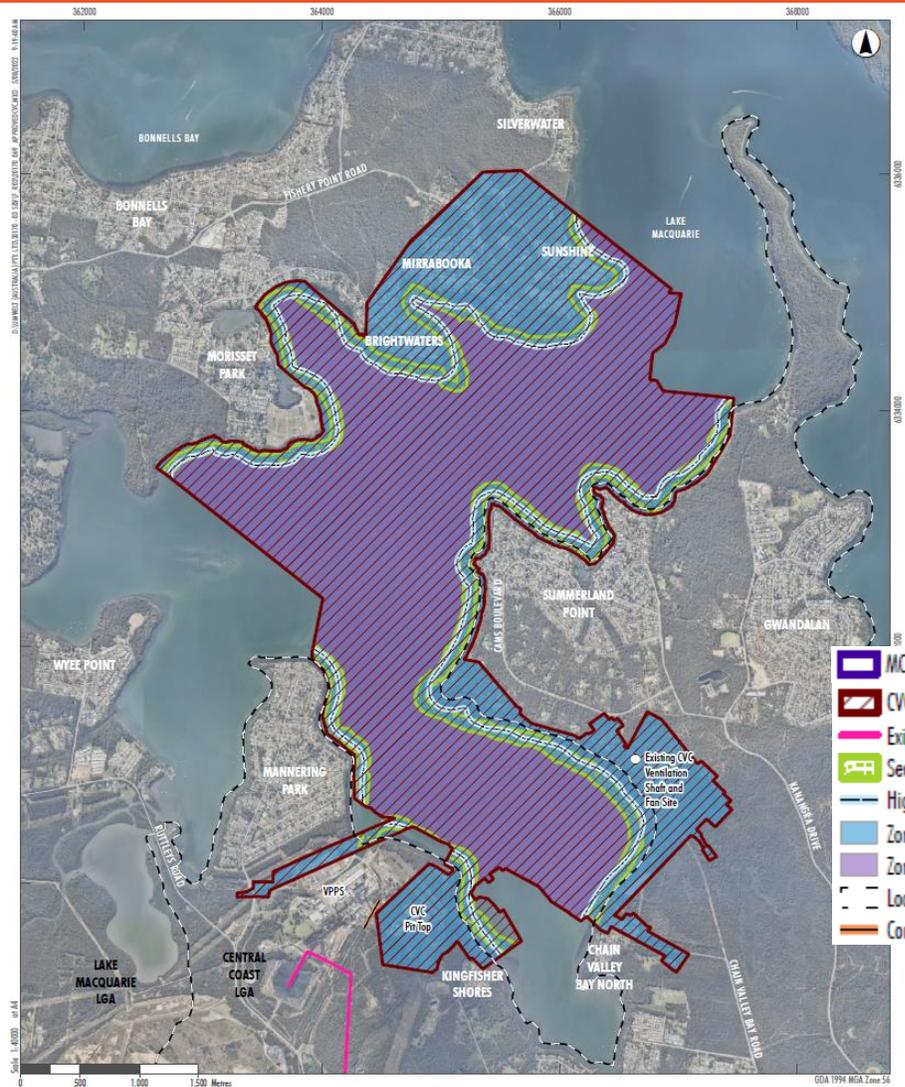
Background



- Underground coal mining has occurred in the southern Lake Macquarie area for over 100 years.
- Chain Valley Colliery and Mannering Colliery commenced underground mining operations in the early 1960's and have supplied coal directly to Vales Point Power Station (VPPS) throughout this time.
- In 2017, Chain Valley Colliery and Mannering Colliery were linked underground, and have been operated as a single mine since this time.
- Operations are covered under two separate approvals, reflecting the historical separation of the two operations –
 - Mining operations at Chain Valley currently occur pursuant to SSD-5465 (as modified).
 - Mining operations at Mannering are currently approved under MP06_03111 (as modified).
- All coal is now bought to the surface and handled at the Mannering Colliery site and then transported to the Vales Point Power Station via conveyor.
- In 2025, Chain Valley Colliery employed around 340 people, supplying 1.07Mt to Vales Point Power Station for reliable, baseload electricity generation.

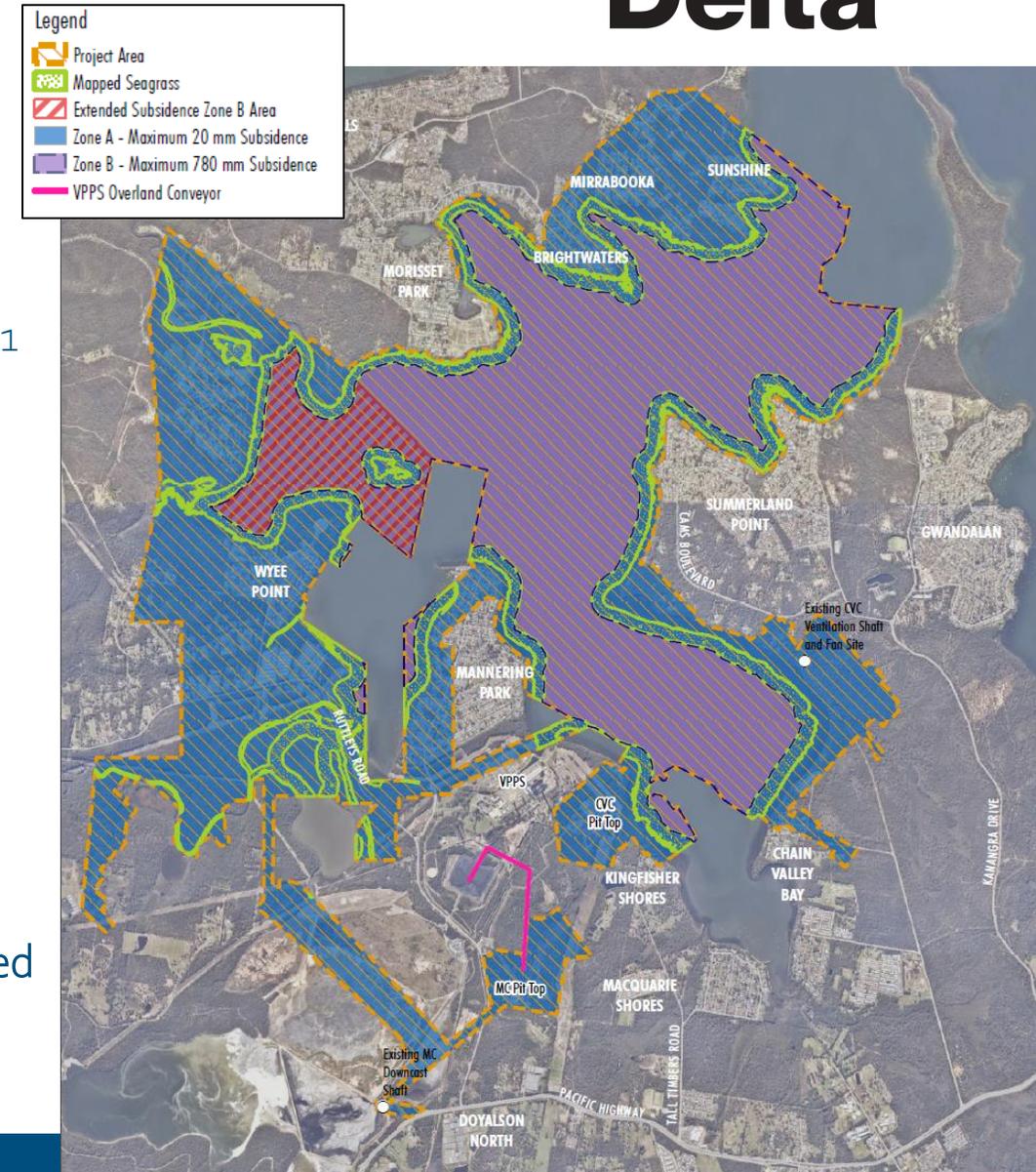


Current Approved Mining Areas



The Project

- The Project involves:
 - Consolidation of existing approvals for Chain Valley and Mannering under a single, contemporary consent.
 - Extending the life of approved mining operations by 2 years, to 31 December 2029.
 - Reducing the combined extraction limit from operations to 2.8 Mtpa (current approved maximum combined limit of 3.2 Mtpa).
 - Aligns approved coal handling from the Mannering site to the project cap of 2.8 Mtpa (increase from 2.1Mtpa).
 - Does not change the approved coal handling cap from the Chain Valley site (< 1.5 Mtpa).
 - Retains the ability to transport up to 66oktpa for export and 18oktpa by road for domestic supply from the Chain Valley site.
 - All coal handled from the Mannering site is to be transported to Vales Point Power Station via existing conveyor.
- The Project does not seek any change to the extent of existing approved mining areas or surface facilities



Key Issues

- The Environmental Impact Statement (EIS) developed provides a detailed analysis of the potential environmental and social impacts of the Project.
- Delta acknowledges the concerns raised during the consultation process and throughout the project assessment, including those related to –
 - Subsidence
 - Noise
 - Air Quality
 - Water Quality
 - Greenhouse Gas and Climate Change Impacts
- Due to the long operational history of the mine and the Project being a continuation of these operations, potential environmental and social impacts are well understood and further informed through EIS engagement processes.
- In general, the Project's potential environmental and social impacts are associated with the longer period of operations rather than an increased magnitude of impacts relative to existing approved operations.

Greenhouse Gas Emissions



- Some submissions on the Project raised concerns that the Project would be inconsistent with international commitments and net-zero goals.
- GHG emissions in NSW will continue to decline over the coming decades as coal fired generators exit the National Electricity Market. During this transition, VPPS will remain an important source of electricity for NSW.
- 85% of *incremental* total emissions fall within Scope 3 as a result of the combustion of coal – emissions that would occur irrespective of whether the Project is approved or not.
- The Project's total *incremental* Scope 1 and Scope 2 emissions (25/26 to 2029) of 1.66 Mt CO₂-e represent less than 0.0001% of the global emissions budget for the period 2000 to 2050.

The Project is aligned with the NSW Government *Strategic Statement on Coal Exploration and Mining* –

- Supports the reasonable development of coal resources during the transition to different forms of energy generation.
- Recognises existing industry investment by continuing to consider responsible applications to extend the life of current coal mines.
- Recognises that ending or reducing NSW thermal coal production whilst there is strong long-term global demand would likely have little or no impact on global carbon emissions, and
- Takes a responsible approach to the global transition to a low carbon future, consistent with Australia's ambition under the Paris Agreement.

What the Project Does Not Do

- The Project does not –
 - Alter the nature of any existing operations at Chain Valley Colliery.
 - Change the extent of the existing approved mining areas.
 - Change the surface disturbance footprint – no additional direct impacts to native vegetation or fauna.
 - Remove any existing environmental standards, safeguards or thresholds.
 - Involve the construction of surface infrastructure or facilities.
 - Make any changes to existing approved road use.
- Regarding Vales Point Power Station –
 - The Project does not extend or alter the life of the power station in any way or alter its ongoing operations.
 - The Project will not influence the amount of coal burnt, and consequent emissions, at Vales Point Power Station.
 - Should the Project not be approved, Vales Point will continue to source coal from other suppliers which will create greater social and environmental impacts (e.g. transport, noise and higher sulfur coal).
 - The Project does not impact ash dam management.
 - The power station will continue to operate to assist with maintaining power system security, irrespective of the Project outcome.
- The Project will not result in any material changes to environmental and social impacts other than those associated with the extended duration of the mine life.

What the Project Does Do



- The Project consolidates consent conditions for Chain Valley Colliery's operations into a single, contemporary consent, improving regulation and simplifying administration for both Delta and government agencies.
- The Project will -
 - Maintain secure employment for over 330 local people.
 - Provide ongoing economic benefit at a local, regional and State level.
 - Allow efficient resource recovery opportunities and greater flexibility in mine planning without any material change in environmental impacts relative to approved operations.
- The Project provides continued coal supply security for Vales Point Power Station –
 - Mitigates coal supply risks associated with international price shocks and logistical constraints.
 - Ensures transport related impacts (noise, air quality and GHG) associated with supply of coal from other sources is minimised.
 - Continues to ensure Delta contributes to the energy transition through the provision of reliable, baseload generation.

In Conclusion



- Chain Valley and Mannering have been operating since the early 1960's.
- The Project represents a minor increase in life of the operation (2 years) associated with the extended life of VPPS.
- Consolidation of existing consents into a single, contemporary consent has several benefits including –
 - Updated and contemporary conditions for environmental management.
 - Simplified administrative arrangements for both Delta and government agencies.
- The Project will not result in any material changes to environmental and social impacts other than those associated with the extended duration of the mine life.
- Extending the life of operation provides –
 - Extended employment and economic benefits for the local and regional community.
 - Continued coal supply security for Vales Point Power Station, with associated benefits for electricity security during the transition.

Thank You

