
Media Release

3 May 2019

SHENHUA GROUNDWATER MODELLING

The Shenhua Watermark Project has been approved under national environmental law subject to eighteen of the strictest conditions in Australian history, which fully implement the advice of the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC).

The panel of the nation's best water experts (the IESC), as well as four other expert reviewers, have reviewed the water modelling. These experts have all agreed that the modelling is robust and can be relied on to predict any impacts on water. They have said actual impacts on groundwater are likely to be smaller than what has been predicted. The approval puts strict conditions in place to ensure that no unexpected impacts occur. These include monitoring to improve models and update predictions over the life of the Project based on real experience.

Shenhua notes the report prepared by the University of NSW (UNSW) (*'Watermark Coal Project Groundwater Model' ('the Report')* (UNSW, January 2019)) issued to the press by the Caroon Coal Action Group (CCAG). Neither CCAG nor UNSW sought comment from Shenhua or our water experts prior to CCAG's press conference on 1 May 2019.

The *Report* addresses 'specific storage'. Specific storage relates to the volume of water which can be released from a confined aquifer. The *Report* attributes a theoretical minimum and maximum value to specific storage. It should be clearly noted that the *Report's* determined theoretical specific storages values only apply in the case of confined aquifers.

Confined aquifers, in the context of the Watermark Project, are the coal seams. Unconfined aquifers in the vicinity of the Watermark Project include alluvial aquifers. Water extracted from the ground for local agriculture, or for stock and domestic purposes, is drawn from alluvial aquifers. Water held within coal seams is not used for irrigation, stock or domestic uses.

Shenhua will comply with all existing Project Approval conditions over the life of the mine. These conditions include obligations for Shenhua to validate and peer review its groundwater model every three years and to compare the model against water monitoring results and modelled predictions.

Media contact: Debbie Watson 02 67418800