



Friends of the Earth Brisbane

Media Release
For attention financial reporters
3 June 2011

Chinese investors face risk in backing *Resourcehouse*- an Australian mine that will destroy koalas

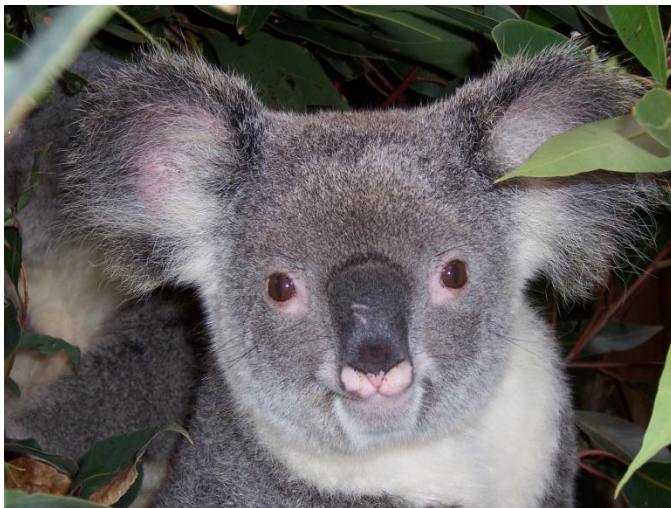


Photo courtesy of the Australian Koala Foundation www.savethekoala.com

The impact of Clive Palmer's planned Australian coal mine on protected native animals, and a likely legal challenge will create uncertainty among Chinese and other international investors, community and environment groups opposed to the project warned today.

Mr Palmer's *Resourcehouse* plans to develop the 30 million tonne per annum *China First* thermal coal mine near Alpha in central Queensland, Australia, but farming and environment groups said that the proposed mine will destroy the habitat of koalas and the greenhouse gas pollution it creates has not been accounted for in the project's modeling.

The warning comes soon after *Resourcehouse* announced that it would again attempt to float on the Hong Kong stock exchange. Previous launch dates for the IPO have been repeatedly delayed.

‘The China First open cut coal mine, will likely face scrutiny in court and also by the Australian *Environment Protection and Biodiversity Conservation Act*,’ said Friends of the Earth spokesperson, Drew Hutton.

"Chinese investors will understandably be concerned to know that Mr Palmer's proposed China First mine would destroy the homes of Australia's iconic national emblem, the koala," Mr Hutton said.

At the centre of the proposed coal mine site is the Bimblebox Nature Refuge, a 8000 hectare wildlife park. In 2000 the park was purchased to protect wildlife with the assistance of funding by the Australian Government. It is home of koalas and at least two other threatened species, the black-throated finch and the squatter pigeon, which are both listed for protection under the Australian *Environment Protection and Biodiversity Conservation Act*.

The Environmental Defender's Office in Australia is due to commence a test case in August against the similar Wandoan mine, owned by Xstrata, also in central Queensland. This case will challenge that project's impact on greenhouse gas pollution levels. Mr Hutton said environment and farming groups are examining similar legal options to also challenge the impact the China First mine would have on pollution levels.

"It is important that all potential investors be made aware that projects such as China First will be held to account for the impact they have on our natural environment," Mr Hutton said.

“There are now major community protests breaking out throughout Australia, seeking to delay and stop such damaging mines proceeding.

“Gone are the days when investing in coal mines could be confidently done just on the basis of what could be quickly dug out of the ground.

“Careful consideration must now be given to the impact of the mine on wildlife, and the pollution in our atmosphere caused by burning the coal," Mr Hutton said.

For more information or comment, call Drew Hutton (Brisbane, Australia) on +61 (0)428487110 or go to www.sixdegrees.org.au