

	Teys Australia Pty Ltd			
	EMS FORM 4 QLD BI TEP QUARTERLY REPORT			
	Version 1.0	TEYS AUSTRALIA PTY LTD CONFIDENTIAL COMMERCIAL		
Implemented 13/01/2026	Amended 21/04/2026	Written: A Branez Approved Ross Sharrock		Page 1 of 2

1.0 BACKGROUND

Teys Australia Biloela has voluntarily entered a Transitional Environmental Program (TEP) with the Department of Environment, Tourism, Science and Innovation (the Department), reference number **MAN-E-100938604**. This report is to be provided to the Department 21 days after the end of each quarter as per *Reporting Condition 1* in the TEP. The objective of the report is to provide the Department with an update on the progress of actions identified and codified in the TEP to bring total nitrogen levels in water sent to irrigation into compliance with the limit set under the site Environmental Authority (EA).

2.0 REPORTING CONDITIONS

2.1 Condition Reporting 1

This condition sets out the requirements for the report. *A quarterly progress report in the form of a letter must be prepared detailing:*

- *Irrigation effluent test results,*
- *The calculated 12 month rolling average,*
- *The actions taken and any milestones achieved, and*
- *The forecasted actions to be undertaken for the following quarter.*

The letter must be submitted to the department within 21 calendar days (3 weeks) of the start of each calendar quarter. This timeframe allows for the receipt of laboratory (expected within two (2) weeks after the end of the quarter) and provides. Teys Australia Biloela Pty Ltd one (1) week to collate the results and prepare the report. The letter must be emailed to Coal and Central Compliance Gladstone via the group recipient email cwes_gladstone@des.qld.gov.au.

2.2 Condition Reporting 2

This condition requires notification of a change to contact details or to the EA regulating site operations. *Teys Australia Biloela Pty Ltd must provide written advice, in the form of a letter, regarding any changes to the responsible person, the responsible person's contact details, or changes to the Environmental Authority (EA) governing operations on-site (e.g., if DETSI PALM reviews the EA conditions) where such changes are likely to impact the actions identified in this Transitional Environmental Program (TEP).*

The letter must be submitted within 14 days of any such changes occurring and emailed to Coal and Central Compliance Gladstone via the group recipient email.

There were no changes to the contact details or the EA regulating site operations.

3. IDENTIFICATION OF QUARTER AND YEAR TO WHICH THIS REPORT RELATES

This report relates to calendar quarter 1 2026 (quarter ending 31 March 2026).

4. REPORTING INFORMATION

4.1 Irrigation effluent test results

Routine testing was conducted on the 25/03/2026. The test result for total nitrogen (TN) was 142 mg/L.

4.2 The calculated 12 month rolling average

The 12-month rolling average for total nitrogen (TN) is 142.5 mg/L. This is calculated from the average of the last 4 quarterly test results including the most recent result (25/03/2026). This result is 2.5 mg/L or 1.8% over the compliance limit contained in the EA of 140 mg/L.

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4.3 The actions taken and any milestones achieved

Teys have completed the following in relation to actions identified in the meeting:

- The bank mounted aerators installed in the facultative lagoon by Teys in 2023 continue to be operated. These will assist in oxidation of ammonia to nitrite/nitrate as per discussion in meeting with the Department on the 30/04/2025.
- The desludging operation is continuing with sludge removed and settled in the anaerobic lagoon and supernatant returned to the facultative lagoon. There are visible results from desludging with a reduction in sludge level in the lagoon. This operation needs to be attended and is currently operated over a daily 8-hour shift, 5 days per week. Desludging will continue to reduce the sludge level and increase the hydraulic capacity of the lagoon, which will contribute to improved nitrification and denitrification of effluent prior to irrigation and reduction in N levels.
- The hire polymer mixer and dosing skid to dose material to the Dissolved Air Flotation (DAF) unit remains in operation as of this update. The system is dosing at 3.5 L/hr. of polymer with 400 L/hr. of make-up water, into 1800 L/min (108,000 L/hr.) of DAF feed flow as per initial set up conditions by the supplier. This equates to 32 ppm of polymer addition.
- The DAF discharge clarity remains significantly improved from that observed prior to implementing dosing.

4.4 Aeration Options *(Page 7/9 Transitional Environmental Program MAN-E-100938604)*

The TEP Condition 4 requires that Teys Investigate alternate options for aeration and conduct options assessment for alternate options versus bank mounted aerators.

TEP 4	Investigate alternate options for aeration and conduct options assessment for alternate options versus bank mounted aerators.	Commenced	1/04/2026
	Condition: By 1 April 2026, Teys Australia Biloela Pty Ltd must: a) Finalise the investigation of alternative aeration options; and b) Implement the preferred option to comply with Condition 1-A8 of EA EPPR00907613.		
	Performance Indicator Finalise investigation and implement the preferred alternative option for aeration.		

Figure 1: Screenshot from Transitional Environmental Program MAN-E-100938604 TEP Condition 4 relating to investigations for aeration.

Teys have completed the following actions in fulfillment of this condition:

- Investigated the different options available for aeration within the constraints imposed by the existing power supply from the 63 kVa pole mounted transformer.
- Sought fixed sum pricing for options from suppliers for different options.
- Assessed options. The key criterion was the efficiency of aeration in providing air to the water column given the limited power supply to the location. The secondary criterion was whether the option provided improved mixing to maximise passive aeration.
- The outcome of the investigation is that options using the existing available power are unlikely to significantly affect denitrification processes alone (aeration is a function of aeration power). The key improvement will come from desludging and an increase to the hydraulic capacity of the lagoon).
- However, as a result of the investigation Teys has initiated a CAPEX project to install suspended diffusers. Diffusers are the most effective means for transfer air to water per unit aeration power.
- Teys have finalised provider, equipment scope, installation requirements, location of aeration blower equipment and diffuser chain layout.

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- Teys have allocated capital within the capital portfolio for the option and initiated a CAPEX approval process for the equipment. Subject to approval Teys would expect to raise an order the equipment by end of financial year.
- Teys have initiated a process with Ergon Energy (the Distributed Network Service Provider) to explore upgrading the electrical supply to the lagoons from the lateral feeder from the Ergon controlled network. The outcome of this step relies on Ergon actions in relation to their network.
- Teys have maintained operation of the current bank mounted aerators when the load from other equipment allows (this means at all times excepting when desludging equipment is in operation). This is the subject of a separate condition in the TEP, and details are stated elsewhere in this report.

4.5 End of Waste Code (Page 8/9 Transitional Environmental Program MAN-E-100938604)

The TEP Condition 5 requires that Teys investigates End of Waste (EOW) code requirements for Abattoir Effluent Pond Sludge and Crust (ENEW07617019) and develop and document a plan for sludge drying, removal of sludge from empty anaerobic, transport and reuse including transport requirements to appropriate destination.

TEP 5	<p>Investigate End of Waste (EOW) code requirements for Abattoir Effluent Pond Sludge and Crust (ENEW07617019). Develop and document a plan for sludge drying, removal of sludge from empty anaerobic, transport and reuse including transport requirements to appropriate destination.</p> <p>Complete the investigation into portable dewatering equipment as a contingency to ensure the continuation of lagoon dewatering in the event of hydraulic capacity constraints in the anaerobic lagoon.</p> <p>The documented plan must be incorporated</p>	Commenced	1/04/2026
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Figure 2: Screenshot from Transitional Environmental Program MAN-E-100938604 TEP Condition 5 relating to investigations for Abattoir Effluent Pond Sludge and Crust ENEW07617019.

The results of the investigation are documented below.

End of Waste Code Requirement

The *End of Waste Code Abattoir Effluent Pond Sludge and Crust (ENEW07617019)* (the Code) establishes conditions for the resource producer and conditions of use. Condition 7.1 allows for the material to be used as a soil amendment or as feedstock to a composting operation.

The approved resource is abattoir effluent pond sludge and crust that complies with Requirement (6.3) of this EOW code and is used for the following purposes: a) as a soil conditioner on agricultural land; and/or b) as a feedstock in the manufacturing of compost and/or soil conditioner.

However, Condition 7.5 of the Code also identifies that:

The resource user must maintain the following records for all applications of the resource to agricultural land: a) details of methods used and monitoring undertaken that confirms completion of the pasteurisation process.

The record keeping requirement infers that a pasteurisation process is required. ‘**Pasteurisation**’ is defined in the Code in the following way:

‘pasteurisation’ means the process whereby the abattoir effluent pond sludge and crust is thermically treated to significantly reduce the numbers of plant and animal pathogens and plant propagules. It must undergo appropriate turning of outer material to the inside of the windrow so that the whole mass is



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subjected to a minimum of 5 turns with the internal temperature maintained at 55°C or higher for 15 days or longer.

The definition of pasteurisation in the Code describes the key elements of a composting process. It would not be possible to thermically treat sludge from the facultative lagoon on its own using composting as the C:N ratio of this material will be far too low to initiate bacterial breakdown and achieve the resultant sustained increase in temperature in a material windrow (there is inadequate nitrogen in the dried sludge). Whilst Teys could mix paunch with the dried sludge to increase the C:N ratio, this would require recommencing the composting operation on site operated by Teys and jeopardise existing arrangements for reuse of paunch for energy production via anaerobic digestion by a third-party business. The Environmental Authority controlling site operations authorises composting, but the operation is not currently carried out on site by Teys.

Plan for Reuse of Dried Sludge

Teys will therefore either send material to an approved off-site composting operation in Rockhampton which is authorised to accept the material (most likely) or compost the material on site (less likely). For the first option Teys will be registered as a resource producer for this EOW Code and conditions for in Section 6 Registered Resource Producer Requirements of the Code will be met. The transport will use suitable vehicles for the dry sludge. Transport will be via campaign freight however options for backloading trucks will be investigated where the trucks are configured to allow appropriate sealing of trailers.

If the transport option is executed it is likely sludge will be dried to less than 40% moisture on site prior to transport and this process could take 1-2 years through passive drying. The sludge in its current location (the empty anaerobic lagoon) is contained and does not present a risk of environmental harm. Drying the sludge thoroughly prior to transport reduces transport risks, the number of vehicle trips, fuel use and emissions, and costs for Teys associated with movement of the material.

Investigation into Dewatering Equipment

Teys has investigated mobile container mounted dewatering equipment for sludge removed from the lagoon. The following options were assessed:

- Portable (truck mounted) decanter (various providers).
- A container mounted screw press (Hydroflux).
- Geofabric Dewatering Bags (quotes and information provided by manufacturers and desludging contractors).

Options were assessed on dewatering throughput, end product water content, cost, and implementation requirements. For each solution:

Portable truck mounted decanters have limited availability for deployment to Biloela for larger units and for smaller units the throughput capacity is poorly matched to the output of desludging pumps (the decanters throughput is too low versus the pump output).

Container mounted screw press equipment from the current supplier of polymer dosing equipment (Hydroflux) was investigated. The equipment consists of a container mounted polymer dosing system and screw press. For the available equipment the throughput is very low and poorly matched to desludging pump output).

Geobags were investigated. For this process, with appropriate polymer dosing, the bags offer throughput matched to sludge pump capacity and allow for containment and drying of sludge to low water content. If required, Teys will utilise this system for dewatering of sludge from the facultative lagoon, with appropriate provisions made for a pad for geofabric bag laydown and collection and return of bag leachate to an appropriate point in the existing wastewater system.

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Incorporation into the Environmental Management Plan

The plan identified above is currently being incorporated into the Environmental Management Plan for the site. Teys believes that there are appropriate pathways for reuse of the material available, and the legal and practical requirements to implement the options have been established through investigation and are understood internally by Teys.

Note the EMP sections containing the plan for sludge reuse will be updated if there are changes to the End of Waste Code Abattoir Effluent Pond Sludge and Crust ENEW07617019 or changes to the availability of third-party composting operations. None are expected.

4.6 Condition *Monitoring 2* (Page 8/9 Transitional Environmental Program MAN-E-100938604)

Tey's conducted the 6-monthly sludge survey of the facultative lagoon on 5 February 2026 using a boat and a sludge judge. A 5 × 5 grid was established across the lagoon, creating 25 evenly distributed sampling points. At each point, measurements were taken of the depth from the liquid surface to the top of the sludge, as well as the distance from the inspection hatch (reference point) to the water surface.

4.7 The forecasted actions to be undertaken for the following quarter.

The following activities are planned to be conducted during second quarter 2026.

- Operation of bank mounted aerators.
- Desludging operations.
- Continued operation of dosing skid for removal of solids from the DAF red stream.
- Continue the process to install the suspended diffusers in the facultative lagoon.

5. Contact Details

The Environmental Officer for the site is:

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