



appendix 2

Community Newsletters

Oceanic News

Oceanic Coal
May 2009, Issue No. 5



West Wallsend Continued Operations Project

Approval for West Wallsend Colliery was first granted in 1969 by LMCC and the Colliery has been operating since 1971. Sufficient reserves are available within the existing mining leases to enable the continuation of underground mining operations until 2020.

Underground mining is currently undertaken in Consolidated Coal Leases (CCL) 725 and 718 and Mining Lease (ML) 1451. Future underground mining in an area referred to as the Western and Southern Domains will occur predominantly within CCL 718, with small portions of underground mining within CCL 725 and ML 1451.

A Subsidence Management Plan (SMP) has been approved by key agencies for underground mining

within CCL 725, CCL 718 and ML 1451. This has included extensive environmental assessments and consultation with relevant stakeholders.

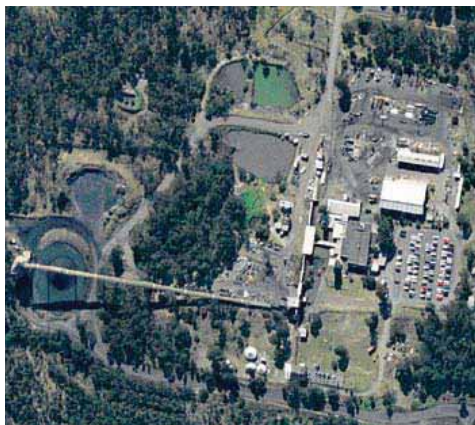
The current development approval for underground mining within two minor portions of the existing CCL 725 and ML 1451 mining leases will expire in August 2010. Therefore a new development approval is required for continued underground operations at West Wallsend Colliery within these portions of the mining leases CCL 725 and ML 1451.

As a component of the new approval application, a detailed Environmental Assessment will be prepared for the project. Key issues that will be considered in the assessment include flora and fauna, water management, European and Aboriginal cultural heritage, air quality, noise, subsidence impacts, greenhouse and energy and socio-economic impacts.

Further mine planning is being undertaken in conjunction with environmental studies to ensure that impacts are minimised and best practice management measures will continue to be implemented.



West Wallsend Colliery employees on their way to start a new shift.



West Wallsend Colliery.

New Operations Manager

In January 2009 Bernie McKinnon replaced David Carey as the West Wallsend Operations Manager. Bernie previously worked at the mine as a relieving Operations Manager for a period of approximately six months in 2007 and 2008.

Bernie made many improvements to the operation of West Wallsend during his last stint here, and is looking forward to maintaining West Wallsend as one of the safest and most productive mines in NSW.



Bernie McKinnon, West Wallsend Operations Manager.

Teralba Colliery Rationalisation

Teralba Colliery has been operating on a care and maintenance basis since 25 May 2001, when the last coal from its mining operations was brought to the surface. Since the commencement of care and maintenance operations, Xstrata Coal has been undertaking feasibility assessments to determine the potential for future mining operations at Teralba Colliery. Following the completion of these assessments, a decision has been made to rationalise the infrastructure at Teralba Colliery in order to reduce the operating costs associated with the operation of the mine.

Rationalisation activities will include: decommissioning of underground services and machinery; decommissioning and deconstruction of selected surface infrastructure; and the filling and sealing of mine entries and shafts. These rationalisation works will result in increased activities at Teralba Colliery over the next 12 months, however all works will be undertaken in consultation with the relevant regulatory authorities, including Lake Macquarie City Council.

Further details on specific activities and progress of the rationalisation processes will be provided to local residents and in subsequent editions of this newsletter.



Teralba Colliery Southgate site.

Community Support

As reported in previous editions of the OCAL Community Newsletter, OCAL has a well established community support program aimed at enhancing the local community. OCAL has initiated this community support program in recognition of the importance of its surrounding community in the

ongoing success of its operations. Therefore the support initiatives established by OCAL are designed to allow the value of the program to continue to be sustainable after OCAL's operations have ceased.

Local groups which have benefited from OCAL's community support program during the last six months include: West Wallsend High School, the Hunter Bikers Tinned Food and Blanket Winter Appeal (in support of the Salvation Army Appeal), the Lake Macquarie Environmental Research Grants Scheme, Barnsley Public School and the Rotary Club of Newcastle.

Westside Mine Rehabilitation

Rehabilitation at Westside Mine is conducted progressively throughout the life of the mine and forms an integral component of mining operations.

During November 2008, Westside Mine undertook a rehabilitation program consisting of 40,800 m² on previously mined land. A further rehabilitation campaign of 30,000 m² was undertaken during March and April 2009.

Some of the species used in rehabilitation at Westside Mine include Spotted Gum (*Corymbia maculata*), White Stringybark (*Eucalyptus globoidea*) and Black She-Oak (*Allocasuarina littoralis*). Despite the very dry weather that was experienced during summer, the native plant species that were planted have survived and are growing well.



Rehabilitation at Westside Mine.

Rehabilitation of MCPP Reject Emplacement Area

As reported in the previous community newsletter, MCPP is committed to rehabilitating its current reject emplacement areas. Capping material has been sourced and spread, along with a significant amount of topsoil. A grass cover has been

grown in this topsoil whilst the revegetation program for the area is finalised.

MCPP is proposing to implement a trial revegetation program which will include small stands of specially selected native tree species across the emplacement area. This program has been approved by the Department of Primary Industries which regulates the rehabilitation of all coal mines in NSW. It is anticipated that this revegetation trial will commence in Spring 2009.

Once the revegetation program is finalised, MCPP is planning to progressively rehabilitate areas which have been shaped to a final landform.



Rehabilitation and temporary grass cover on the MCPP Reject Emplacement Area.

Community Consultative Committee

Westside Mine has a community consultative committee (CCC) for the site. Members of the committee meet twice a year to discuss any community concerns regarding the operational and environmental performance of Westside's operations. The next CCC meeting is scheduled for June 2009. If you would like to see a specific topic or issue discussed at the meeting, one of the community members can speak on your behalf. CCC members contact details are available from Mark Robinson or Neil Rae (see below for contact details).



Westside Mine CCC Members.

AlphaOne Health Program

The AlphaOne program was introduced in January 2008 as a behavioural and organisational program designed to address the health, fitness, safety and quality of life needs of West Wallsend Colliery employees. The AlphaOne program is industry specific to meet the unique needs of the mining industry and its workers. The program is also designed to create and sustain positive behavioural change at an individual, team and organisational level.

AlphaOne is in fact three programs in one:

1. Individual Change Program, to reach all employees, including those at highest risk. The individual change strategies help employees to identify personal health risk factors, motivate and support them to change and sustain habits for good health. Employees are given health messages and resources tailored to each individual's readiness to change.
2. Teams change program, to build communication and support within teams.
3. Organisational change program, to create a more supportive work environment and to reinforce and sustain healthy change within the workplace.

Health behaviours are powerful determinants of an individual's overall health. Health habits have the potential to influence medical, fitness and psychosocial risk. The AlphaOne program includes an analysis of participants' behaviour in regards to physical activity, nutrition, smoking and alcohol consumption. This provides participants with a risk analysis of their health behaviour profile as compared to Australian targets for healthy living. In addition participants are also provided with one-to-one counselling and goal setting to assist with addressing at risk behaviours.

For further information contact:

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Environment & Community Coordinator
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Xstrata's commitment to Sustainable Development

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.

Oceanic News

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West Wallsend – Continued Operations Project

West Wallsend Colliery (WWC) is an underground mine located in Western Lake Macquarie and has been operating since 1969. Due to a change in planning legislation, WWC is seeking to update the existing approvals for the continuation of mining operations. This project is referred to as the West Wallsend – Continued Operations Project (WWCOP).

The Proposal

Underground mining at WWC is currently undertaken in Consolidated Coal Leases (CCL) 725 and 718 and Mining Lease (ML) 1451.

The current development approval for underground mining within two minor portions of the existing mining leases will expire at the end of 2010. Therefore a new development approval is required for continued underground operations at WWC.

Under the proposed project, minimal changes are expected to the current WWC underground mining operations and no modifications have been proposed to the existing WWC main surface facilities. The project does include the construction and operation of a proposed Mining Services Facility, located adjacent to Wakefield road approximately 2km north of Ryhope. The Mining Services Facility, comprising a small compound and associated access, will be used for a range of services including a ballast, solenoid and concrete borehole underground.

In addition, there is likely to be other minor ancillary infrastructure associated with future mining, including the installation of additional ventilation and potential gas

management infrastructure within the continued longwall mining areas.

Environmental Assessments

A variety of key environmental assessments have been undertaken as part of the West Wallsend – Continued Operations Project for inclusion in the project's Environmental Assessment. These assessments include but are not limited to:

- Subsidence
- Cultural and Historic Heritage
- Greenhouse Gas
- Ecology (Flora and Fauna)
- Ground Water
- Surface Water
- Air Quality
- Noise
- Traffic

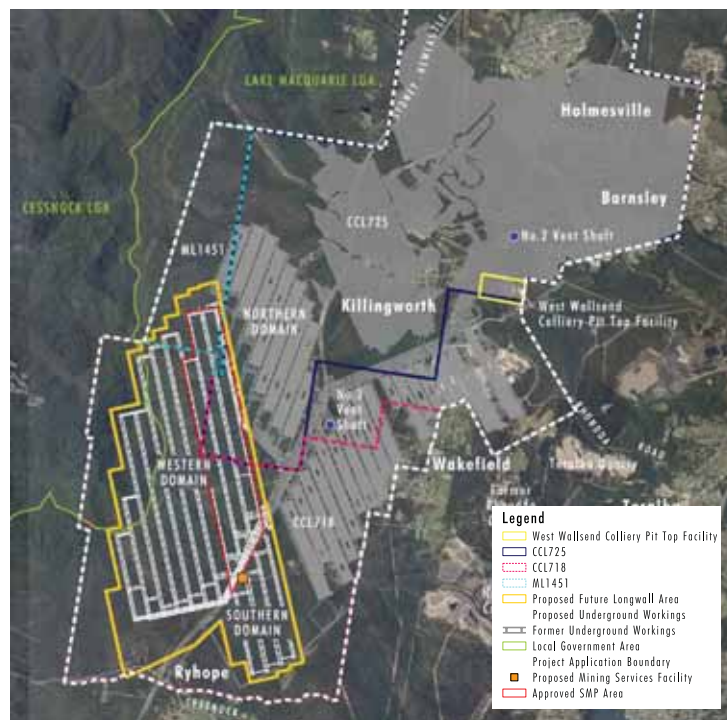
Management and mitigation measures for these key areas of assessment will be developed, in consultation with relevant stakeholders, as part of the assessment process.

Modifications to Proposed Mine Plan

Based on the preliminary findings of the environmental assessment, modifications to the mine plan have been made to minimise the potential for impacts on water resources and significant Aboriginal heritage sites.

Consultation

Extensive consultation has been undertaken to date with Government Agencies, Lake Macquarie Council, Cessnock City Council, locally impacted residents and community stakeholders. Further consultation will



Overview of the West Wallsend Colliery's continued operations area (outlined in yellow).

continue throughout the EA process, as specialist studies are completed.

If you would like any further information on the West Wallsend – Continued Operations Project, or would like to provide feedback, please do not hesitate to contact:

Mark Robinson
Environment and Community Coordinator
Oceanic Coal | Xstrata Coal
P (02) 49 412115
F (02) 49 552314

Teralba Colliery rationalisation update

Rationalisation activities at Teralba Colliery are progressing in line with the strategy developed for the site in early 2009. Since the last newsletter Teralba Colliery has commenced haulage of fill material from Teralba Colliery's Northgate site (off Railway Parade) to the Teralba Southgate facilities (located off York and Pitt Street).

A traffic control plan was developed for the haulage campaign in consultation with Lake Macquarie City Council to ensure

haulage activities are undertaken in a safe manner, whilst aiming to minimise impact on the surrounding local community. Other rationalisation activities in progress since the last newsletter include:

- Decommissioning of the No 1 and No 2 Shafts at Southgate
- Decommissioning of underground power services
- Removal of selected redundant mining infrastructure



Ground preparation at Teralba's Northgate site prior to undertaking haulage activities.

New West Wallsend Colliery Operations Manager

Charlie Spence was recently appointed as the West Wallsend Colliery Operations Manager, replacing the relieving Operations Manager, Bernie McKinnon.

Charlie brings to West Wallsend Colliery over 25 years of experience in the mining industry and is committed to achieving the highest levels of workplace safety whilst maintaining a productive operation. Charlie is also committed to building strong relationships with the local communities in which the colliery operates.



Charlie Spence – West Wallsend Colliery Operations Manager.

Community support

Edgeworth Heights Public School – sustainable garden project

Oceanic Coal recently provided a donation to Edgeworth Heights Public School to assist with the construction of a sustainable vegetable garden on the school's premises. The garden will be used to grow seasonal vegetables for students and their families and provides students with an exciting opportunity to learn simple and practical ways to adopt sustainable practices around the school and at home.



Students from Edgeworth Heights Public School preparing to plant the first lot of vegetables seedlings in their new sustainable vegetable garden.

Barnsley Public School – Climate Cam update

In December 2009, Oceanic Coal donated and facilitated the planting of 50 native trees and shrubs at Barnsley Public School. The plantings were organised as part of the

sites ongoing sponsorship of the school in the Newcastle City Council "Climate Cam for Schools" Program.

The Climate Cam for Schools Program aims to assist participating schools in improving resource use and energy efficiency. The program allows participating schools to measure and reduce resource and energy consumption and track their progress throughout the year.

As a result of the native tree plantings, Barnsley Public School will be eligible to obtain an eco star for the offsetting of greenhouse gas emissions from the school.



Native tree planting at Barnsley Public School.

Annual primary school visits

Oceanic Coal hosted its annual primary school visits during December 2009. The school visits involved approximately 110 year 4, 5, & 6 students from both Minmi and Edgeworth Heights Primary Schools. The students were provided with a bus tour around the Westside Open Cut Mine, along with a tour of the Macquarie Coal Preparation Plant, before being dropped off at the West Wallsend Colliery Pit Top to participate in a coal mining and home safety information workshop. Each child received a piece of coal and an Oceanic Coal Fact Sheet which provided them with an overview of coal mining at the site. The



Local school kids participating in the coal mining information workshop at West Wallsend Colliery.

visit was a huge success with the kids eager to learn more about the industry. We look forward to the school visits next year.



Westside Mine employees proudly display the site's safety record at the entrance to the mine.

Westside Mine safety performance

In August 2009 Westside Mine reached a safety milestone with over 2,000 calendar days worked without a loss time injury (LTI). Effective safety management systems, contractor management and visible leadership have enabled the

excellent safety record to be achieved and maintained at the site. This outstanding achievement shows how commitment to safety by management and a dedicated workforce can foster a safety culture free from workplace injuries.

West Wallsend Colliery family day

West Wallsend Colliery recently held an employee family day at the operation. The day provided the families of employees with an opportunity to gain an insight into the workings of the operation and learn about the safety and environmental practices currently implemented at West Wallsend Colliery and the Macquarie Coal Preparation Plant (MCP). During the day, families

participated in underground visits of West Wallsend Colliery and guided coach tours of the MCP. The children were provided with a gift bag and each family was provided with a native plant for their home gardens.

The feedback received from the families that attended the day was extremely positive, with the underground visits and MCP tours proving to be very popular.



West Wallsend Colliery employees and families preparing for a visit into the underground operation.

Community complaints and enquiries hotline:

West Wallsend Colliery
T (02) 4941 2100

Westside Mine
T (02) 4955 1144

For further information contact:

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open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.