

Xstrata Mangoola Pty Limited ABN 54 127 535 755
PO Box 495, Miluswellbrook NSW 2333
3 Floor 160 Bridge Street Miluswellbrook NSW 2333 Australia
Tel +61 2 6542 6600 Fax +6543 4318 www.xstrata.com

- Noise Mitigation Options for the Phelps Residence;
- Noise and Blast Monitoring Data;
- Opportunity for Structural Inspection;
- Concerns regarding the 500 kV relocation modification; and
- Land Acquisition and Negotiated Agreements.

The following items were discussed at the meeting:

- Ray Phelps (Property Owner);
- Christine Phelps (Property Owner);
- Nigel Charnock (Xstrata Coal NSW);
- Andrew Daly (Xstrata Coal);
- Scott Elliott (Xstrata Coal);
- Jane Yelland (Xstrata Mangoola);
- Nathan Archer (Heggies);
- Peter Karantonis (Renzo Tonin); and
- Felicity Milner (Environmental Defenders Office).

The purpose of this letter is to set out the outcomes from the meeting held at the Phelps Property (281 Wybong Post Office Road, Wybong) on Wednesday, 31 March 2010. The following attended this meeting:

RE: Meeting Minutes for Phelps Property – 31, March 2010

Dear Ms Milner

Felicity Milner
Environmental Defenders Office Ltd
1/89 York St,
SYDNEY NSW 2000

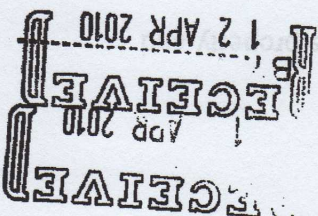
9 April 2010

Mangoola Coal



98-XMC-510-0004-LEO-0338

By: _____



Mitigation Options for the Phelps Property

The following options were discussed as noise mitigation options for the Phelps property and various parts of the Phelps property were inspected following the meeting:

- Earthen bund to the east of the Phelps property;
- Screening for BBQ Area;
- Screening for back porch area;
- Screening for eastern side bedrooms;
- Options for passive ventilation;
- Options for use of double window system and
- Additional insulation in ceiling to reduce noise from whirly birds.

Heggies will conduct a review into the feasibility of noise mitigation measures as listed above. A report will be provided to Phelps as soon as practicable following this review, which is expected to be completed by the end of May 2010. Should access to the Phelps property be required for this review, Heggies will contact Mr and Mrs Phelps directly to arrange.

1.0 Noise and Blast Monitoring Data

Noise and blast monitoring data (for complaints registered by Mr and Mrs Phelps) were presented at the meeting and reviewed by Peter Karantonis (Renzo Tonin). Peter queried the type of equipment being used for the real time noise monitoring and it was confirmed that Sentinex units are being utilised for real time monitoring. A combination of directional and single microphone units are used for the monitoring network. The monitor closest to the Phelps property is a single microphone unit. These are Type 1 sound level meters.

Peter Karantonis (Renzo Tonin) also queried the height that the wind speed data is taken from. Mangoola Coal has two weather stations which record wind speed at 10 m above ground level.

2.0 Opportunity for Structural Inspection

The offer of a structural inspection was reiterated by Xstrata Mangoola to Mr and Mrs Phelps. Mrs Phelps indicated that they would like to accept this offer. RHM Consultants (Barry Halls) have been approved by the Department of Planning as per Project Approval 06_0014, Schedule 3, condition 22 (a). This was communicated to Mr and Mrs Phelps following the meeting on 31, March 2010. Mangoola Coal awaits a response from Mr and Mrs Phelps regarding progressing with this inspection.

3.0 500 kV Powerline Relocation Modification

Mr and Mrs Phelps were provided with information regarding the environmental assessment for the 500 kV powerline relocation and associated mine plan changes. An explanation was provided regarding the proposed route and mine plan changes.

Mr and Mrs Phelps communicated their concerns regarding:

- Visual impact of the towers (questioned if these were to be painted green);
- Noise impacts from proposed line on the eastern side of the property; and
- EMF impacts from the proposed line of the eastern side of the property.

These issues will be taken into consideration in the assessment reports.

The EDO will be notified by Xstrata Mangoola when the assessment reports are to be placed on public display.

4.0 Land Acquisition and Negotiated Agreements

Nigel Charnock introduced the option of a negotiated agreement to Mr and Mrs Phelps. Nigel explained that a negotiated agreement is an agreement that is contemplated by Xstrata Mangoola's Project Approval as an alternative to the acquisition of a property in the event that a landholder, such as Mr And Mrs Phelps, was not looking to sell their property at that point in time.

Nigel also confirmed that should Mr and Mrs Phelps choose to enter into a negotiated agreement with Xstrata Mangoola, that this would in no way affect their acquisition rights under the Mangoola Coal Project Approval.

Following a phone conversation with Christine Phelps on Thursday, 8 April 2010, Nigel Charnock has sent a proposed Negotiated Agreement to Mr and Mrs Phelps.

6.0 Query Regarding Drinking Water Quality

Carbon Based Environmental has been requested by Xstrata Mangoola to collect a water sample from the Phelps drinking water tank during the April sampling period. They will contact Mr and Mrs Phelps directly to arrange access.

Please do not hesitate to contact Jane Yelland on 6549 5503 if you would like to discuss any aspect of this letter further.

Yours sincerely,

Xstrata Mangoola Pty Limited

Scott Elliott

Project Manager

1st December 2010

Ray and Christine Phelps
Lot 12 285 Wybong PO Road
Wybong NSW 2333

Dear Ray and Christine,

RE: Proposed Noise Bund – revised noise mitigation report

Following your meeting with Ben Clibborn and Ben de Somer on the 8th of November 2010, Mangoola have commissioned Heggies to revise the existing noise mitigation report to include the proposed noise bund adjacent to your property. The report also considers the other proposed mitigation measures as outlined in the information you provided to us, specifically:

- Passive versus electric assisted air ventilation;
- Ducted air conditioning;
- Localised noise barriers with rooves and without;
- Double glazing of the windows;
- Additional insulation in ceiling and to whirly birds and chimneys
- Treatments of bathrooms and toilets so ventilation was still possible while blocking noise entering house; and
- Treatments of doors and door jams.

Heggies have completed this report and we forward a copy for your information.

We would welcome the opportunity to discuss the report outcomes and propose to meet with you at your property to progress the matter. Please contact Ben de Somer on 6549 5510 to organise a suitable day and time to meet.

Yours sincerely,

Xstrata Mangoola Pty Limited



Operations Manager

Mangoola will arrange for the installation of the noise mitigation measures above. As discussed, the noise barriers will need to be firstly designed by a noise consultant then reviewed by an engineer and approved by council prior to building. We will contact Renzo Tonin as per your request in view of obtaining designs etc; however Mangoola maintain an ability to gain a second

As discussed in the following noise mitigation measures have been requested;

- i. Localised noise barriers
- ii. Double glazing of windows
- iii. Addition insulation and treatment of whirly birds and chimneys
- iv. Installation of acoustic seals on door jams and thresholds.
- v. Passive air ventilation
- vi. Air conditioning with fresh air intake (air conditioning unit manufactured by Daiken).

Your request for Mangoola to install noise mitigation measures to your house.

I have considered your request and advise that Mangoola are not prepared to meet your request for \$1000 per week. I note that Mangoola had previously offered a sum of \$10,000 per year which was previously declined. Subsequently Mangoola would like to make the offer for a negotiated agreement including compensation of \$1000 per month.

Your request of \$1000 per week for compensation for mining related impacts.

As discussed at the meeting, Mangoola does not see this as a reasonable and feasible control measure to mitigate noise impacts and therefore does not support your request for the construction of an earthen noise bund.

Your request for an earthen noise bund

In relation to the matters raised at the meeting I wish to capture each action and provide a response.

Firstly, I wish to personally thank you for hosting our meeting at your home last week. It was good to finally meet you and discuss matters important to us both.

RE: Follow up to the meeting on the 20th April 2012 at your property

Dear Christine and Ray,

Christine and Ray Phelps
c/- Alex Irving
PO Box 62
Beechwood NSW 2446

26th April 2012

opinion by a noise consultant for the design of the barrier. Once we have the draft designs including construction information we will discuss them with you prior to progressing.

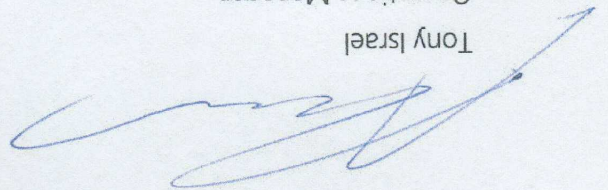
Furthermore, I wish to extend an offer for installation of a separate electricity meter to the house to power the noise mitigation measures. Mangoola will then compensate you for the cost of electricity related to the installed mitigation measures.

In relation to tradespersons involved in works associated with the noise mitigation measures, Mangoola will consult with you prior to mutual approval and engagement. Discussions with builders have commenced so contact with you to advise of suggested tradespeople and arranging time for quotes to be undertaken will shortly be underway.

I trust I have captured all of the requests made at our meeting. If there is anything I have omitted please advise and I will promptly respond.

Once again I would like to thank you for your hospitality and look forward to progressing any outstanding matters.

Yours sincerely,



Tony Israel

Operations Manager

opinion by a noise consultant for the design of the barrier. Once we have the draft designs including construction information we will discuss them with you prior to progressing.

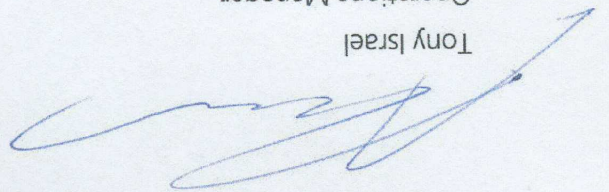
Furthermore, I wish to extend an offer for installation of a separate electricity meter to the house to power the noise mitigation measures. Mangoola will then compensate you for the cost of electricity related to the installed mitigation measures.

In relation to tradespersons involved in works associated with the noise mitigation measures, Mangoola will consult with you prior to mutual approval and engagement. Discussions with builders have commenced so contact with you to advise of suggested tradespeople and arranging time for quotes to be undertaken will shortly be underway.

I trust I have captured all of the requests made at our meeting. If there is anything I have omitted please advise and I will promptly respond.

Once again I would like to thank you for your hospitality and look forward to progressing any outstanding matters.

Yours sincerely,



Tony Israel

Operations Manager