



EXECUTIVE SUMMARY



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ES1 BACKGROUND

The Wilpinjong Coal Mine is an existing open cut coal mining operation situated approximately 40 kilometres north-east of Mudgee, near the Village of Wollar, within the Mid-Western Regional Local Government Area, in central New South Wales (Figure ES-1).

The Wilpinjong Coal Mine is owned and operated by Wilpinjong Coal Pty Limited (WCPL), a wholly owned subsidiary of Peabody Energy Australia Pty Limited (Peabody Energy).

Construction of the Wilpinjong Coal Mine commenced in February 2006, and the mine is approved to produce up to 15 million tonnes per annum of run-of-mine coal.

Up to 12.5 million tonnes per annum of thermal coal products from the Wilpinjong Coal Mine are transported by rail to domestic customers for use in electricity generation and to port for export.

Management and monitoring plans and control strategies have been developed in consultation with relevant agencies and are implemented as part of the Wilpinjong Coal Mine Environmental Management Strategy. These plans and control strategies are periodically reviewed as part of ongoing operations.

This document is an Environmental Assessment for a proposed modification to the Wilpinjong Coal Mine.

ES2 OVERVIEW OF THE MODIFICATION

A review of mine planning, more detailed coal quality data and the range of ash contents required in potential product specifications indicates higher rates of run-of-mine coal production will be required at times to achieve equivalent product coal targets (i.e. some increased washing of run-of-mine coal may be required to achieve the same product specifications, and this would result in additional coal being mined to meet the equivalent product output rate).

Since transitioning to an owner-operator mine in 2013, WCPL has been implementing a continuous improvement programme for materials handling/mining which indicates a higher run-of-mine coal production rate could be achieved with minor augmentations to the existing mining fleet.

WCPL has identified that a number of minor alterations to the approved Wilpinjong Coal Mine are required, including:

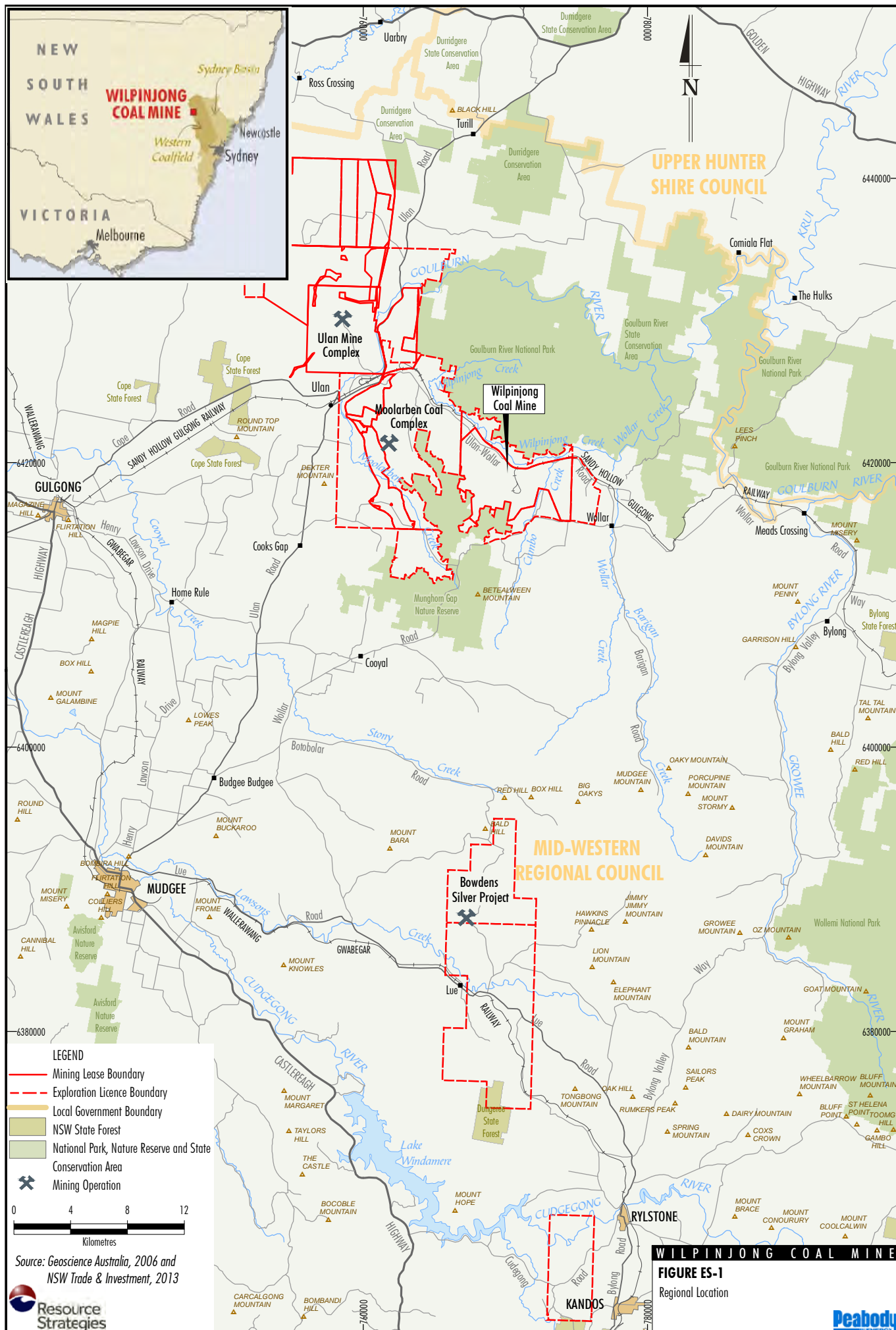
- An increase in the upper rate of run-of-mine coal production (from 15 million tonnes per annum to approximately 16 million tonnes per annum – an increase of approximately 7 percent).
- A minor increase in the upper annual rate of waste rock production (from 33.3 million bank cubic metres to approximately 34.1 million bank cubic metres - an increase of approximately 2 percent).
- Mine sequencing revisions associated with updated geological modelling/mine planning.

An increased rate of annual run-of-mine coal production would provide operational flexibility to maintain WCPL's competitive advantage as a low cost thermal coal producer.

There would be no change arising from the Modification to the following aspects of the approved Wilpinjong Coal Mine:

- open cut and contained infrastructure area (Figure ES-2);
- mine life;
- saleable coal transport off-site (12.5 million tonnes per annum) or associated average or maximum rail movements; and
- operational workforce (up to approximately 550 people).

The Modification would, however, improve the efficiency of extraction of existing run-of-mine coal reserves and hence the productivity of the current workforce and return on capital associated with the existing fixed plant and mobile fleet. The Modification would therefore be expected to improve the financial position of the Mine in the current market downturn.



ES3 ENVIRONMENTAL REVIEW

In order to assess the potential environmental impacts of the proposed Modification, a number of environmental reviews were completed. A summary of the key findings of these environmental reviews and key commitments with respect to managing potential impacts is provided in Table ES-1.

These reviews indicate that the existing environmental management and monitoring measures would continue to be applied to minimise the potential impacts of the Wilpinjong Coal Mine on existing environmental values and the nearest private dwellings. The Modification therefore would not significantly increase potential environmental impacts in comparison to the approved Wilpinjong Coal Mine.

**Table ES-1
Key Outcomes of the Environmental Review**

Environmental Aspect	Summary of Environmental Assessment Conclusions	Key Management, Mitigation or Monitoring Measures for the Modification
Operational Noise	<p>Generally consistent with operational noise predictions for the approved mine, noise modelling identified three private dwellings outside of the Village of Wollar would have potential exceedances of project specific noise criteria for the Wilpinjong Coal Mine operations incorporating the Modification.</p> <p>Two of these private dwellings are under contract of sale to Peabody Energy.</p>	<p>Real-time noise controls (e.g. mobile fleet stand-downs) would continue to be implemented under relevant adverse meteorological conditions to achieve continued compliance with existing Project Approval noise impact assessment criteria in the Village of Wollar and other private dwellings.</p> <p>WCPL would continue to implement the real-time noise management system and associated response protocols in the Noise Management Plan. Recent compliance monitoring demonstrates that these controls continue to be effective.</p>
Dust and Particulate Matter	Air quality modelling indicates that no additional exceedances of applicable air quality criteria are predicted at private dwellings.	The real-time air quality monitoring system and response protocols detailed in the Air Quality Management Plan would continue to be implemented.
Spontaneous Combustion	The Modification would not significantly alter the potential for spontaneous combustion events at the Wilpinjong Coal Mine, as the extent of mining would be unchanged.	<p>WCPL has developed a detailed coal and partings spontaneous combustion testwork programme that will be implemented over approximately six months.</p> <p>Any improvements to coal monitoring and management that arise from results of the test programme would be applied to the stockpiling of coal at the Wilpinjong Coal Mine.</p>
Groundwater	<p>WCPL and Peabody Energy hold adequate licence entitlements to account for the potential take of water associated with the approved operations.</p> <p>The Modification would not result in any material changes to the approved total volume of water withdrawn from the groundwater system, or the average impacts on bore drawdowns, stream fluxes or takes from the alluvium associated with Wilpinjong Creek.</p>	Groundwater monitoring and management would continue to be conducted in accordance with the Groundwater Monitoring Programme and Surface and Groundwater Response Plan.
Surface Water	The Modification would not pose any additional environmental risks with respect to surface water management of the approved mine.	Surface water monitoring and management would continue to be conducted in accordance with the Erosion and Sediment Control Plan, Surface Water Management and Monitoring Plan and Surface and Groundwater Response Plan.