

Advanced Energy



Wilpinjong Coal Mine Modification 6 - PAC Site Briefing

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General Manager

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Peabody
ENERGY

Agenda



1. Introduction
2. Safety Share
3. Project Overview
4. The Modification
5. Land Ownership Changes
6. Significance to WCPL
7. Spontaneous Combustion Management
8. Other Projects
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Introduction



Wilpinjong Coal/Peabody Energy

- Ian Livingston-Blevins, SVP Operations NSW (PEA)
- Blair Jackson, General Manager (WCPL)
- Peter Grosvenor, Manager Mine Engineering (WCPL)
- Nick Collings, Technical Services Manager (WCPL)
- Jamie Lees, Director Sustainable Development (PEA)
- Clark Potter, Senior Environmental Advisor (WCPL)

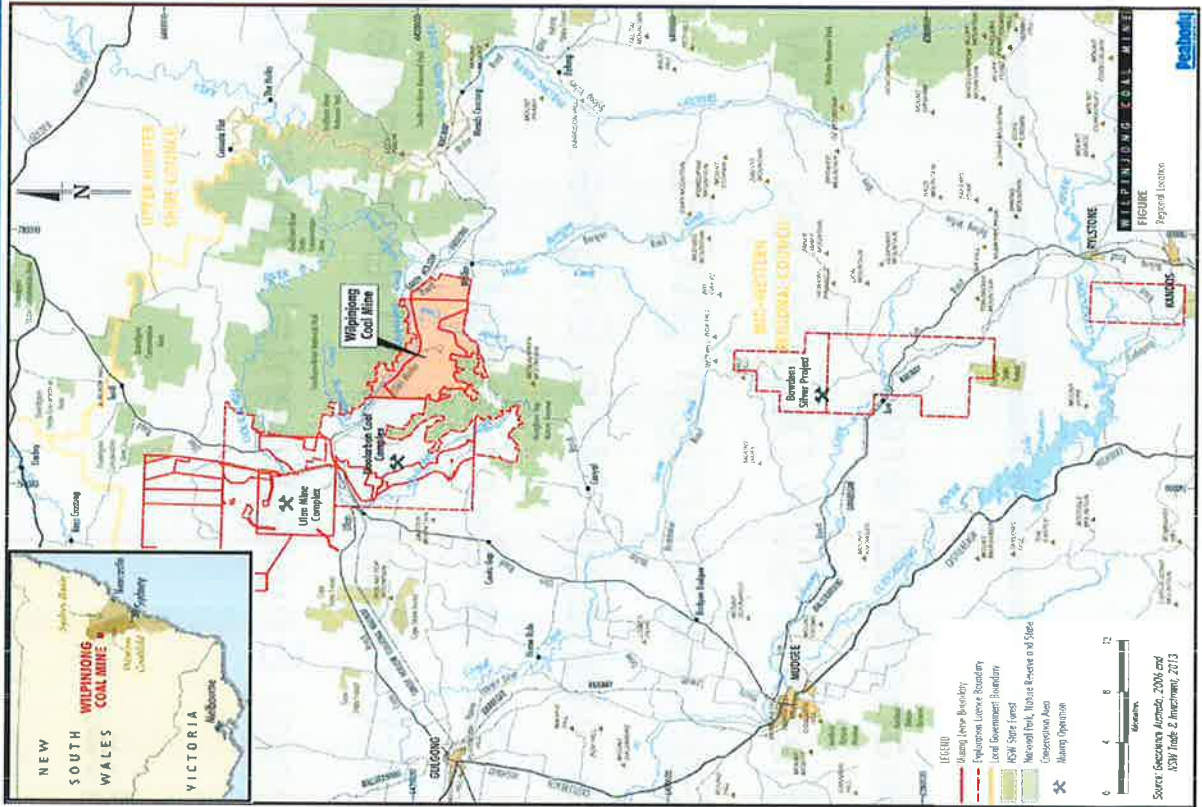
Resource Strategies

- Josh Hunt, Principal

Project Overview



Location



Project Overview



Location

- Site context
 - 40km north-east of Mudgee
 - Access via Ulan Road and Ulan-Wollar Road
 - Between Munghorn Gap Nature Reserve and Goulburn River National Park
 - Moolarben tenements directly adjoin to the west - with Ulan, the three mines form a significant contiguous complex
 - Village of Wollar located to the east (two significant ridgelines between)
 - Peabody Energy is the dominant local freehold landholder

Project Overview



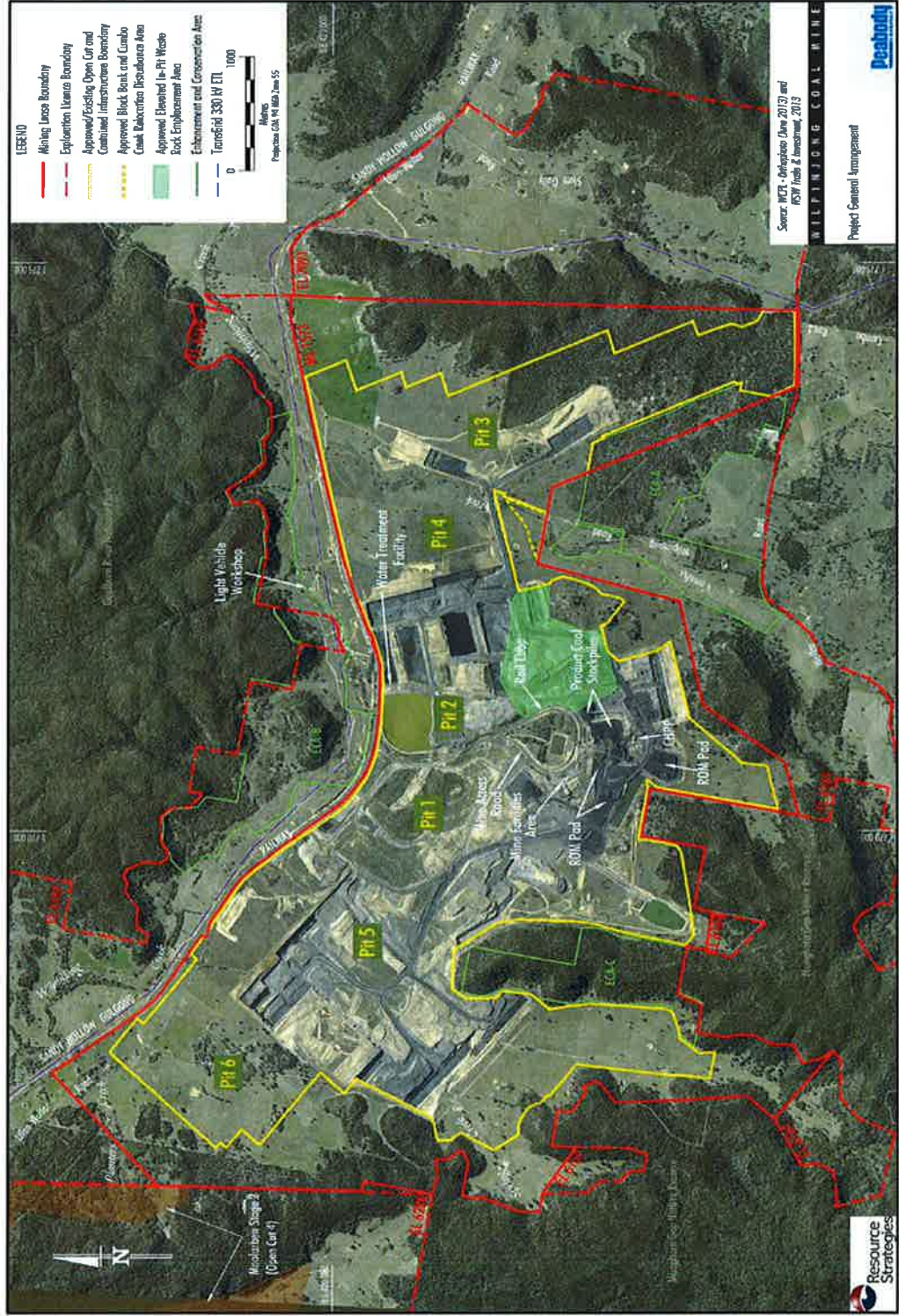
Existing Operations

- Approved under Part 3A of EP&A Act February 2006
 - ML 1573 approx. 2,860ha
 - Open cut and contained infrastructure approx. 1,990ha
 - Approved mine life to 2026 (21 years)
 - Project Approval modified four times
 - Approved 15Mtpa ROM
 - Up to 550 employees and FTE contractors
 - Transitioned to owner operator in April 2013
 - Supplies domestic power stations (AGL) and export markets

Project Overview



Existing Operations



Project Overview

Coal Handling and Logistics

- Sandy Hollow-Gulgong Railway located to the north
- Handling systems for both washed and unwashed (bypass) coal products
- On-site rail loop, rail loading, ROM and product coal stockpiles and CHPP
- All product coal is railed off-site
- Approved 12.5Mtpa railing product coal
 - Six train movements/day on average per year
 - Ten train movements/day maximum

Project Overview



Local Environment

- Topographic ridges and associated dense native vegetation separate Slate Gully and Wollar from the existing mine
- Key local surface water features:
 - Wilpinjong Creek, located to the north of the site
 - Cumbo Creek, tributary of Wilpinjong Creek and approved for relocation by the approved mine
 - Wollar Creek, joins the Goulburn River downstream of the confluence with Wilpinjong Creek
- Local land use typically grazing (low stocking rates) and rural residential development with areas of remnant vegetation

The Modification



Coal Quality and Product Specifications

- Coal quality data regularly updated with new exploration data and washability testwork
- Mine planning/sequencing updated to reflect refinements to geological models
- The range of ash contents in potential product specifications indicates higher rates of ROM coal will be required at times to meet equivalent product coal targets
- WCPL continuous improvement programme for materials handling/mining since transition to owner-operator in 2013

The Modification



Mining Efficiency Gains

- Significant efficiency gain outcomes from:
 - optimisation of bucket capacity on excavators
 - relocated crib huts
 - lower maintenance with the new mining fleet
 - optimisation of dozer push of waste rock
 - blast design and execution/optimisation of haul paths
- WCPL seeks to maintain operational flexibility to produce the ROM required to maximise return on investment

The Modification

Summary of the Modification

- Key mine planning amendments:
 - increase in ROM coal production from 15Mtpa to approximately 16Mtpa (approx. 7%)
 - increase in waste rock production from 33.3Mbcm to approximately 34.1Mbcm (approx. 2%)
 - mine sequencing revisions (including accelerated rehandling of Keylah dump – Mod 5 commitment)

The Modification

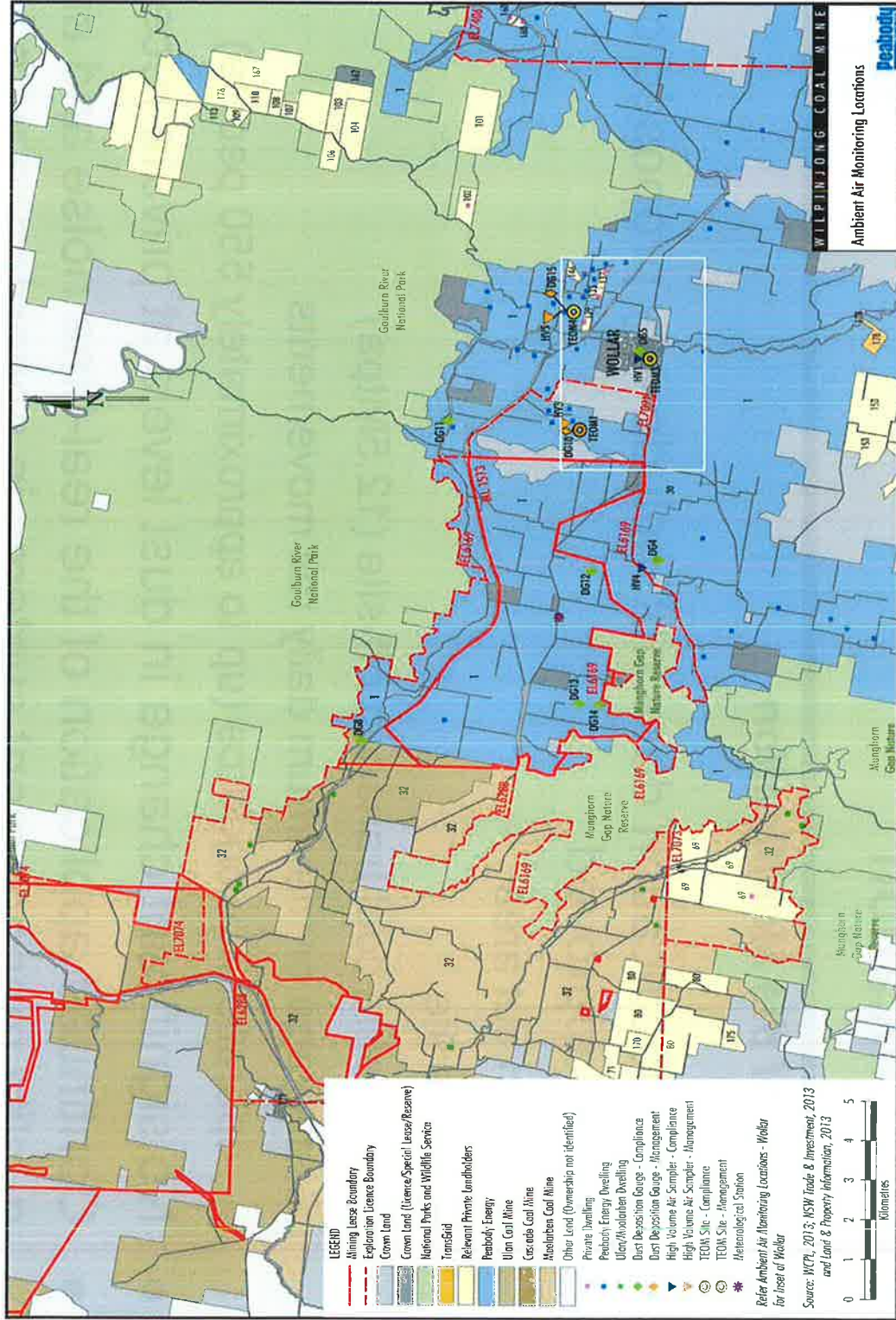
Summary of the Modification

- The Modification does not include any proposed change to the approved :
 - open cut area
 - mine life
 - saleable coal transport off-site (12.5Mtpa)
 - average or maximum daily rail movements
 - operational workforce (up to approximately 550 people)
- No significant change in dust levels at private receivers
- Continued application of the real-time noise and air quality management systems in accordance with the relevant management plans

The Modification



Dust Management - AQMP



The Modification



Noise Management

- Limited number of private receivers in existing noise management zone (>35dBA) - two such residences recently acquired
- With continued implementation of operational controls as required under adverse weather conditions - no predicted noise increases at private receivers with the Modification
- Real-time noise monitoring system and associated operational responses to continue in accordance with DP&E endorsed Noise Management Plan – strong compliance record
- Recent comparative noise monitoring by Global Acoustics identified that the real-time noise monitor in Wollar is appropriately located and typically measures slightly higher noise levels than were measured at co-incident attended monitoring at two other locations in the village

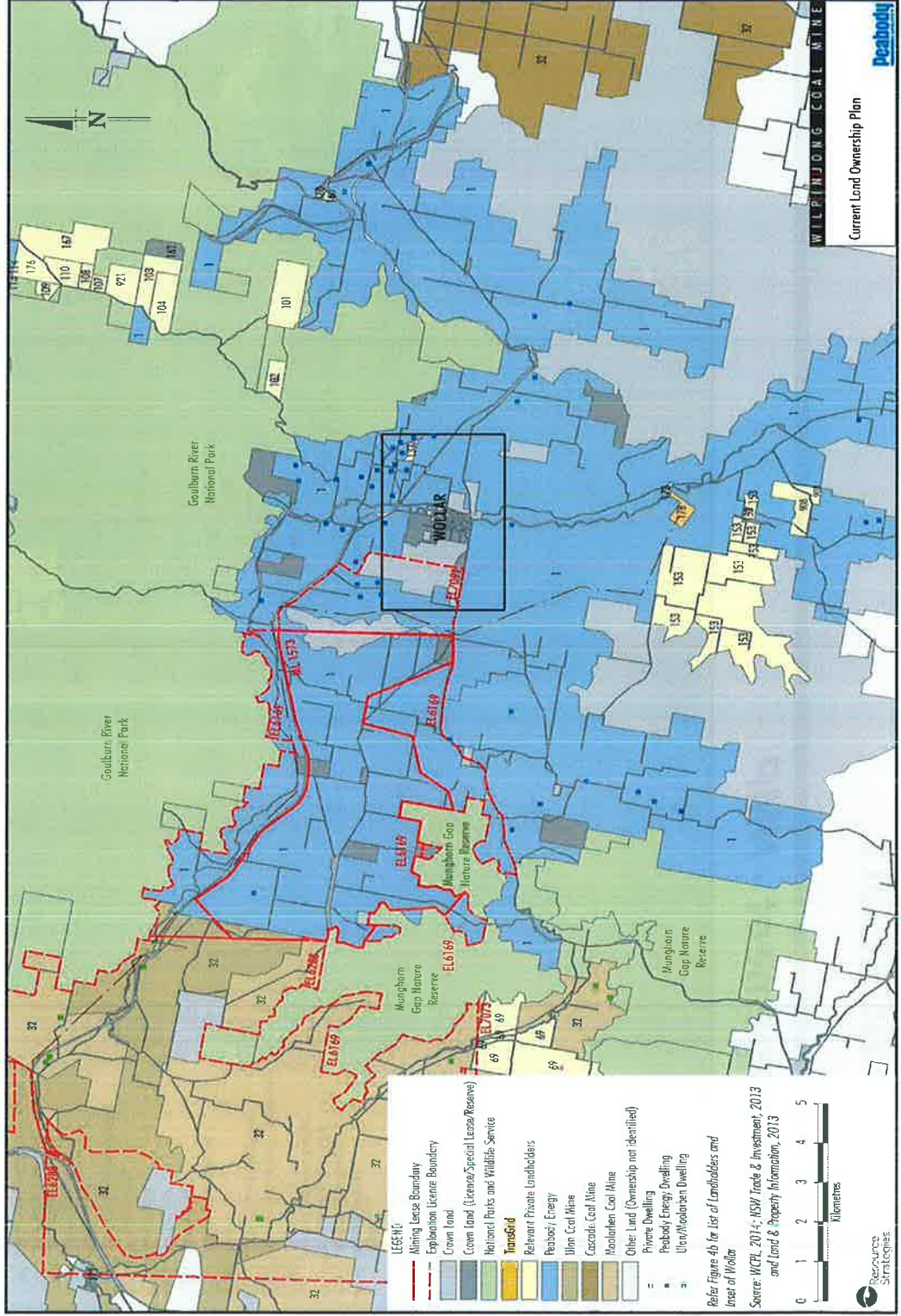
The Modification



Noise Management

Relevant Private Receiver (excluding Wollar)	Existing Project Approval Noise Impact Assessment Criteria	Predicted Noise Level for the Modification
69 (DJ & JG Stokes)	36	35
102 (W Filipczyk)	35	35
129 (K & R Reese) (WCPL)	37	37
135 (K & R Reese) (WCPL)	38	38
137 (A & C Chetcuti)	37	37
153 (TW Marskeil)	35	32
160A (B Smiles & A Smiles-Schmidt)	35	28
160B (B Smiles & A Smiles-Schmidt)	35	28

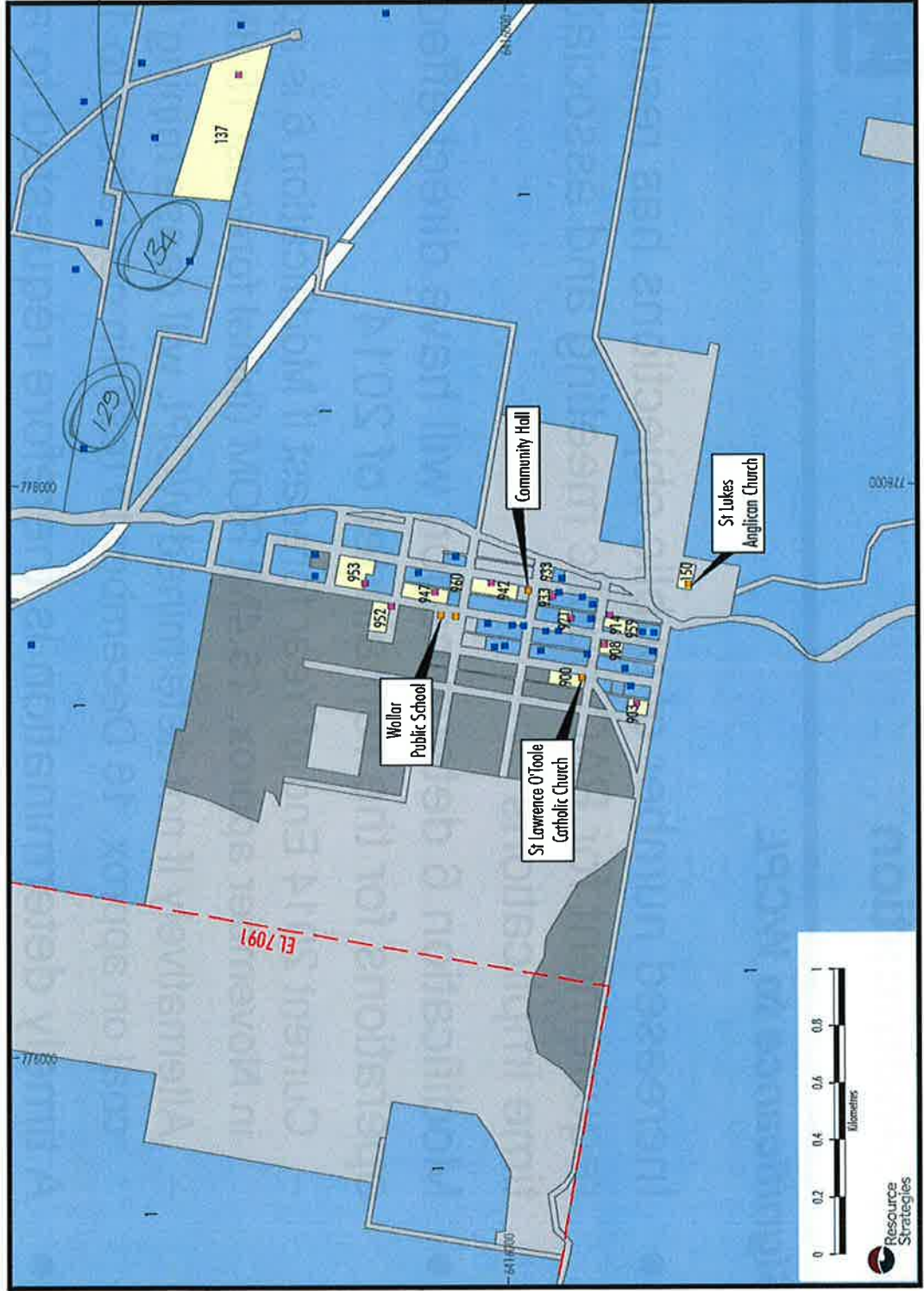
Current Status



Land Ownership



Wollar Ownership



The Modification

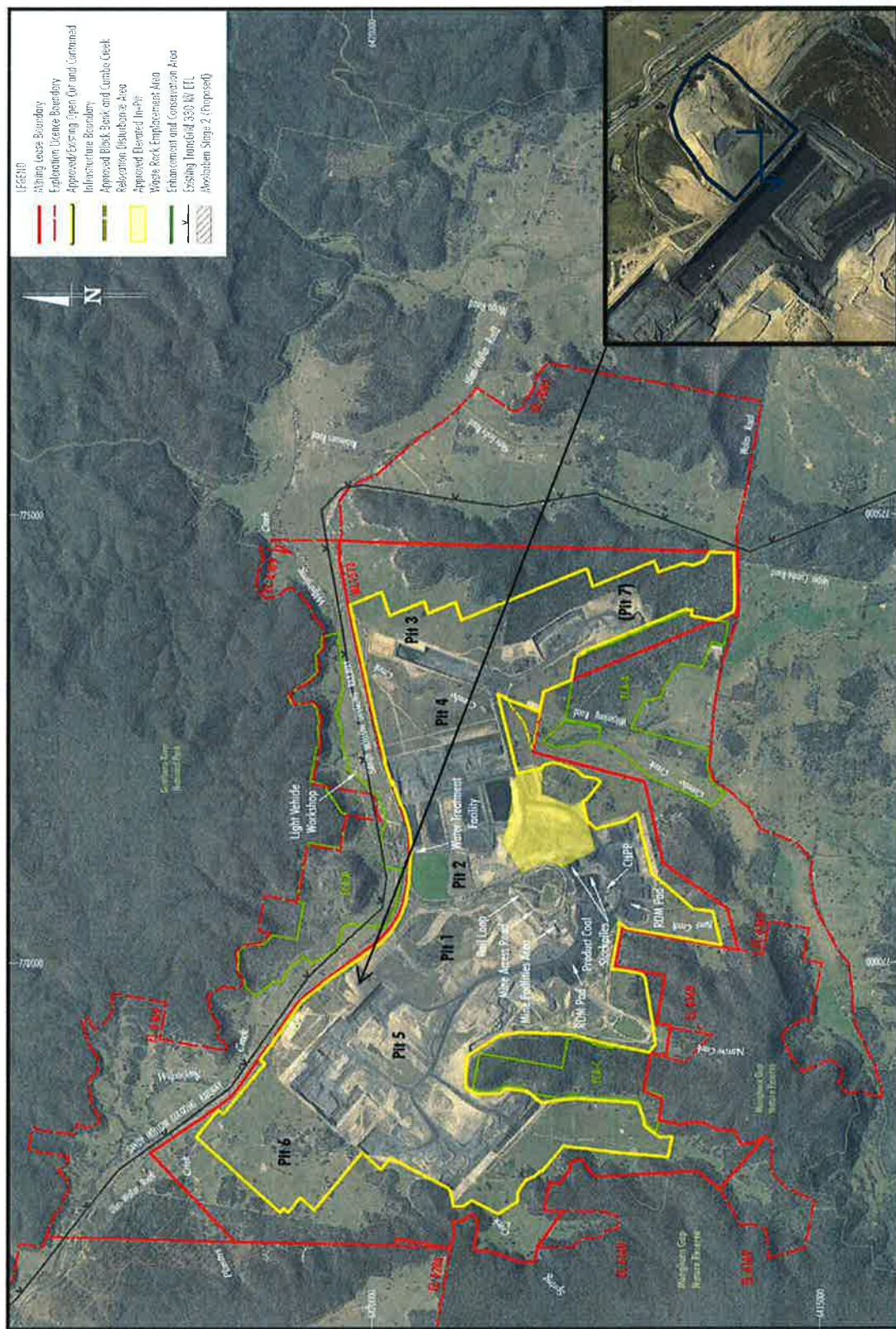


Significance to WCPL

- Increased number of public objections has resulted in requirement for PAC public meeting and associated time implications
- Modification 6 determination will have direct effects on operations for the remainder of 2014:
 - Current 2014 End of Year forecast if Modification 6 is approved in November approx. 15.4Mt ROM (initial forecast 15.8Mt)
 - Alternatively if not determined WCPL will cease mining ROM coal on approx. 16 December to restrain operations to 15Mt
- A timely determination is therefore requested to assist with staffing and mine planning

Spontaneous Combustion Management

Keylah Dump – Rehandling



Placed
in 2007.

1.2 cubic
million
tonne
material

Spontaneous Combustion Management



- Keylah is being mined in consultation with DP&E and EPA for deposition in Pit 5 and capping
- Management in accordance with a specific Keylah Dump Removal Management Plan
- Ongoing monitoring of potential combustion pollutants (select gases monitoring) in Wollar
- Modification 6 DP&E draft conditions require a standalone Spontaneous Combustion Management Plan - WCPL supports this approach
- WCPL has a draft Spontaneous Combustion Management Plan in preparation in accordance with the proposed DP&E draft conditions

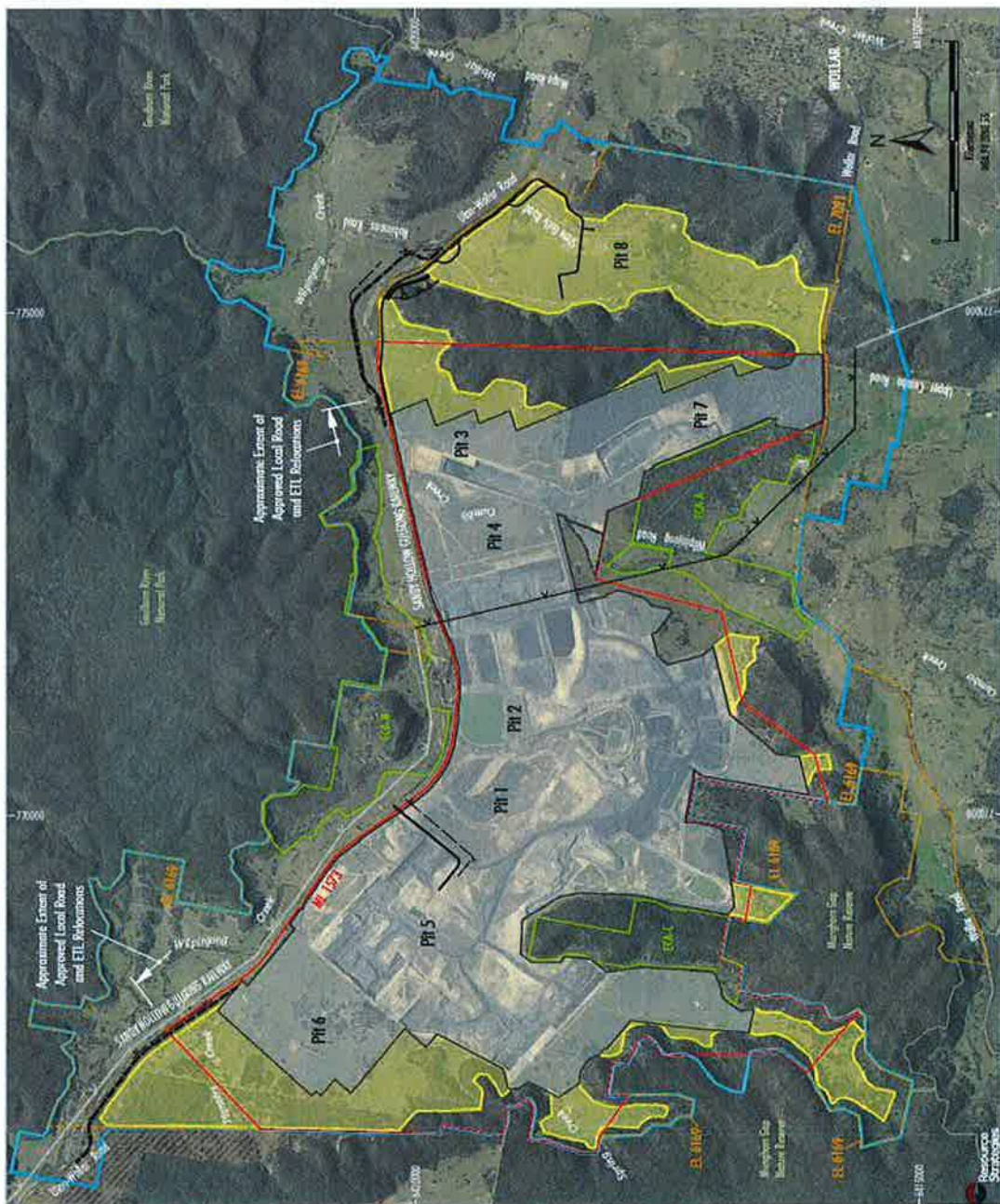
Other Projects



Wilpinjong Extension Project – SSD (SEARs not yet issued)

- LEGEND**
- Mining Lease Boundary
 - Exploration Licence Boundary
 - Provisional Development Application Area
 - Approved/Existing Open Cut and Contained Infrastructure Area
 - Approved Block Bank and Contain Creek
 - Rehabilitation Disturbance Area
 - Proposed Open Cut Extension Area
 - Proposed Public Road Realignment
 - Proposed P11 378 Road Road
 - Proposed Service Road
 - Proposed Local ETL Development/Rebate
 - Existing Transfield 330 kV ETL
 - Proposed Rehabilitation 330 kV ETL
 - Proposed Rehabilitation 330 kV ETL Enhancement and Conservation Area
 - Moolathen Stage 2 (Proposed)

Source: WCP (2014); WCP - Outgassing (June 2014)

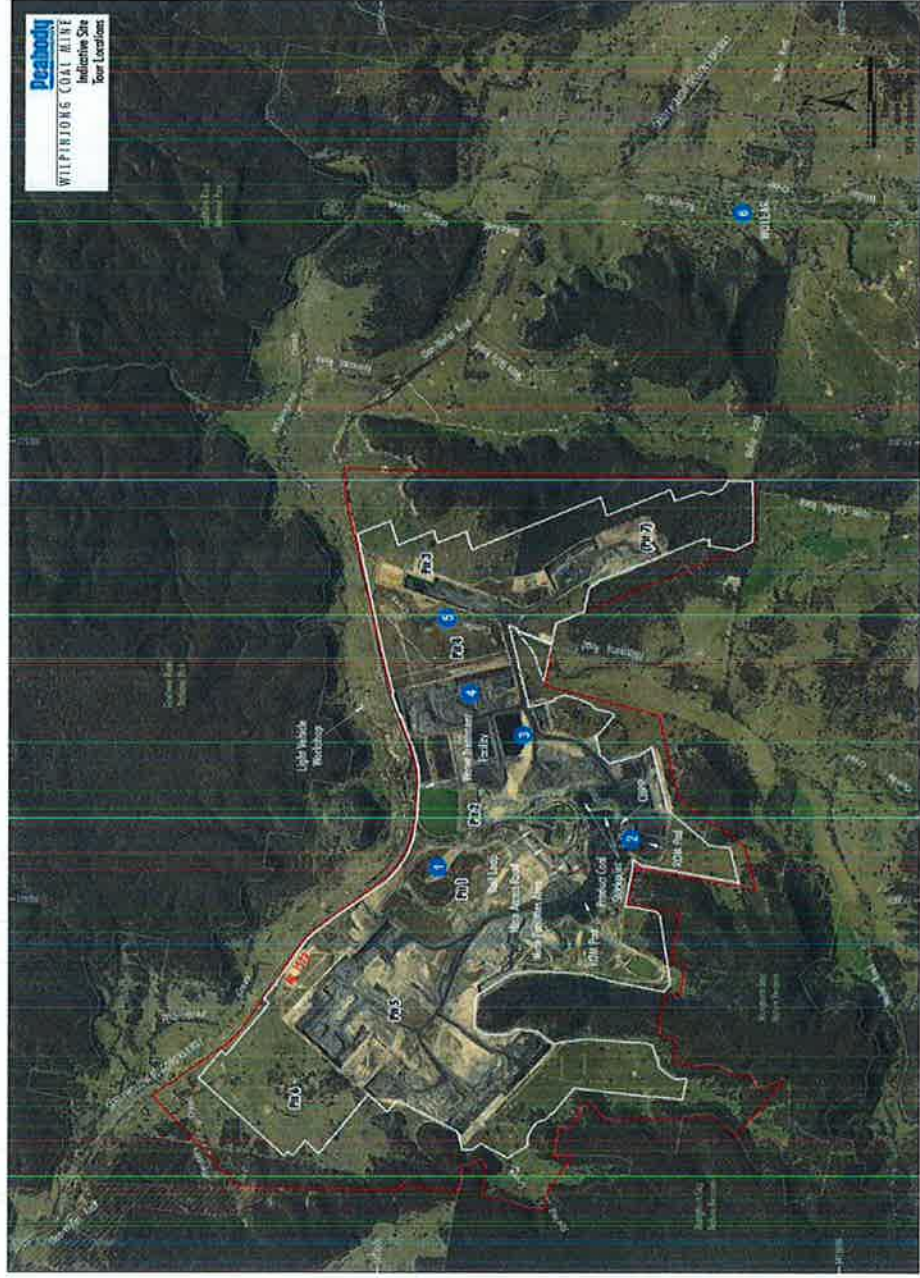


Peabody
WILPINJONG EXTENSION PROJECT
 Project General Arrangement

Site Tour Overview



Indicative Locations



1. Rehabilitation Pit 1
2. CHPP and materials handling
3. Tailings storages
4. Pit 4 operations
5. Pit 3 operations
6. Wollar



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