

Community News

September 2016



Welcome to Wambo Coal's Community News

From the General Manager

Welcome to the Wambo Coal Community Newsletter.

I'm Albert Scheepers, the new General Manager at Wambo Coal. I've recently moved to Singleton from Moranbah, Central Queensland with my wife and we have enjoyed our first 'real' winter in NSW.

As you would know, in recent times the Australian mining industry has been impacted significantly by the dramatic drop in the coal price, slowing global growth and weakness in the Chinese economy. The Hunter Valley has not been immune to these impacts, with many of us witnessing friends and colleagues directly affected by the prolonged market downturn. However, I'm pleased to report, we're starting to see the first signs of improvement for the local mining industry, with an increase in the coal price and demand for coal.

At Wambo, our open cut Joint Venture (JV) with partner United is progressing and the project's EIS is on public display until 22 September. I'd encourage you to get involved and provide feedback about this important project which, if approved will provide employment for 500 people.

Underground, things are also moving ahead with our South Wambo Underground Modification currently with the NSW Government for assessment.

We also continue to assess the feasibility of other underground mining opportunities that present value for the team.

Our environment team is making the most of the approaching warmer weather, targeting 99 hectares of rehabilitation across the site this year. The rehabilitation program aims to create safe and stable post-mine landforms which benefit generations to follow.

In other news, I'm happy to congratulate Wambo's Mines Rescue team which has continued its reign of success on the world stage, recently taking out first place in the First Aid competition at the 10th International Mines Rescue Competition held in Sudbury, Canada.

Finally I'd like to thank the people of Jerrys Plains and Singleton for their ongoing support and for welcoming me to their community. As a newcomer to the region, I've enjoyed getting to know my new neighbours and look forward to meeting many more of you in the months to come.

Thank you for your interest in Wambo Coal.

Albert Scheepers

General Manager, Wambo Coal

Operations Update

Wambo Open Cut

Peabody continues to operate its open cut until commencement of it's Joint Venture with Glencore, the United Wambo JV, which is anticipated to be in early 2018. The open cut operations will continue in the Montrose Pit which will develop to the north, within ML1572, before turning back to the south. Development of the pit was approved in 2004, under Wambo's Development Consent.

During this period where operations are closer to Jerrys Plains, Wambo will implement additional operating controls to reduce impacts on local residents. These controls relate to air quality and noise and involve adjustments to operating during unfavourable meteorological conditions. They also involve additional training to help operators understand what adverse weather conditions impact the community. These include, when there are dry and or windy conditions, or cold weather/winds from the south/south east.

Wambo encourages community feedback about our operations and will continue to consult with local residents during development of the Montrose Pit.

Wambo Underground

Wambo's current underground mining areas allow longwall mining to continue until 2018.

Wambo is proposing to modify its approved South Wambo underground mine to allow for a more efficient mine layout. This would sustain Wambo's underground operations beyond 2018 and extend the approved life of the operations to 2032.

The modification would involve a rearrangement and extension of the South Wambo Underground mine layout, including mining in two coal seams.

The mine layout being sought as part of Wambo's application is entirely within land owned by Wambo.

The NSW Department of Planning and Environment is currently assessing the Modification application.

Montrose Pit

What activities are involved?

In the short term the development of the Montrose Pit will involve:

- Clearing, mulching and stripping of topsoil
- · Excavation and blasting activities
- Development of the pit including access roads
- Installation of new disturbance boundary delineation (complete).

What impacts can I expect?

The northern end of the Montrose Pit is located closer to residents than we have historically operated and will be visible from the Golden Highway. Wambo is committed to operating within the conditions of its development consent, however, there is a possibility that residents will experience increased noise, dust and visibility impacts as a result of the pit's development.

What will Wambo do to minimise impacts?

Wambo will implement a range of operating protocols to minimise impacts on our neighbours and the broader community. These controls relate to air quality and noise and involve adjustments to operations, during unfavourable meteorological conditions.

60 Seconds with the GM

GM Albert Scheepers talks to Wambo Community News

What's your hometown?

Middelburg, South Africa

Where do you live now?

Hunterview, NSW

Do you have any hobbies?

When I get time I enjoy sailing and hiking

Describe yourself in 3 words:

Generous and authentic with integrity...that's five words!

How did you end up in the coal industry?

I applied for a bursary to study Mechanical Engineering, the company that offered me a bursary only offered bursaries for Mining Engineering which I took at the time.

What book are you currently reading?

Batavia by Peter FitzSimons

What's your star sign?

Aquarius



Wambo's Rehabilitation Target: 99 Hectares in 2016

Wambo's rehabilitation program aims to create a safe and stable post-mine landform that benefits generations to follow. In 2016, the team is targeting 99 hectares of rehabilitation across the site. What you can see above is existing rehabilitation around a disturbed area at site. The disturbed area is a dam constructed on the rehabilitation to reduce the velocity of runoff in heavy rainfall events.

The area is known as the old "Rug Dump" and is an area of the mine where overburden has been placed over the past ten years. In accordance with approvals the area has been reshaped with topsoil, organic matter and soil conditioners applied prior to seeding. Rehabilitation in this part of site aims to return land to a mix of open native woodland and pasture.



International Success for Wambo Underground Mines Rescue

Congratulations to our champion Wambo Underground Mines Rescue Team (MRT) who earned first place in the First Aid competition at the 10th International Mines Rescue Competition held in Sudbury, Canada last month.

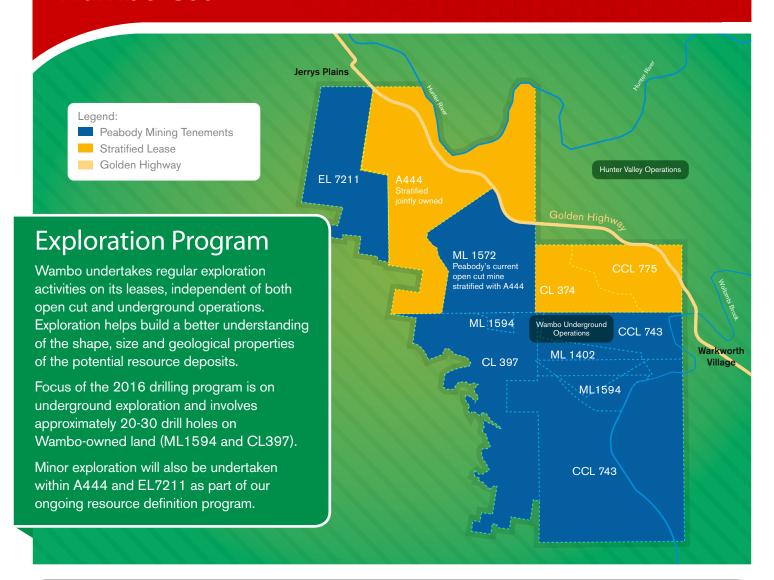
The Wambo Underground MRT was among 27 teams from 13 nations that gathered to compete in four days of events to test emergency preparedness skills and train through competition.

The competition presented simulated emergency response situations for applying first aid involving multiple individuals and injuries. Other events included firefighting, high angle rope rescue and an underground mine rescue simulation. The event was hosted by Workplace Safety North and Ontario Mine Rescue.



WINNERS: The champion Wambo Underground Mines Rescue team (back row) Matt Bailey, Kirk Bereza, David Malone, Mitchell Lydon, (front row) Jarrod Brown, Michael Millgate and Warren Kirk. Not pictured Mick Murphy competing elsewhere and Brenden Goodwin who was unable to travel with the team.

Peabody's Wambo Underground Mines Rescue Team qualified for the international competition after taking first place in the highly contested 53rd Australian Underground Mines Rescue competition in 2015. The team has an impressive history with nine consecutive years of success at both the district and national levels.



Wambo United Joint Venture on Public Exhibition

The Environmental Impact Statement (EIS) for the proposed United Wambo JV, involving Glencore is on public exhibition until 22 September 2016.

The project is seeking approval for the development of a 'brownfields' open cut mine, which will combine existing operations at Wambo open cut, and coal reserves at United underground mine and support up to 500 employees plus an additional 120 construction jobs. The EIS is available on the NSW Major Projects website.

