

# 1 MESSAGE FROM THE OPERATION MANAGERS



Welcome to the first edition of *The Ulan Focus*, developed to keep you informed about what's happening at Ulan Coal.

# 2 THE COMPANY ULAN COAL



An overview of the range of operations at Ulan Coal and an update of work in progress.

# 3 ENVIRONMENT UPDATE



Our commitment to maintaining and improving our environmental performance is an ongoing process.

# 4 COMMUNITY NEWS UPADATE



Ulan Coal recently hosted its first Red Hill Environmental Education Centre tour – a Duke of Edinburgh Qualifying Expedition.

# The Ulan Focus



Ulan Coal Mine Limited's Community Newsletter  
February 2005 Issue No 1

Managed by  
xstrata  
coal

## Who is Ulan Coal?

As you may be aware, Ulan Coal is made up of a range of operations including: underground and open cut mining; coal processing; a rail to port facility; and, a coal unloading facility at Eraring Power Station.

Our landholdings encompass 17,500 hectares near the village of Ulan, approximately 45 kilometres north east of Mudgee, at the headwaters of the Goulburn River catchment.

Coal deposits were first worked at Ulan in the early 1920's and continued sporadically until the mining operations were expanded to include an open cut mine (1982) and an underground long wall mine (1986). Xstrata Coal Pty Limited owns 90 per cent of Ulan Coal and also manages the operation. Our joint Venture partner, Mitsubishi Development holds the remaining 10 per cent.

## What's happening at Ulan Coal?

Ulan Coal is currently planning some minor additional site works and is required to lodge a development application and Statement of Environmental Effects (SEE) for these works, which include:

- an upgrade to the rail loading system;
- a minor extension of the open cut mine, comprising one strip adjacent to the western limit of existing operations (approximately 17 hectares of additional disturbance area);
- changes to the coal clearance system, including the construction of an internal coal conveyor;
- the relocation of the approved but not constructed Ulan West Surface Infrastructure to an area already disturbed by mining; and,
- the construction of an ancillary water storage dam.

Ulan Coal plans to lodge the development application and SEE with the Department of Infrastructure, Planning and Natural Resources (DIPNR) by the end March 2005. Once lodged, it will be publicly exhibited for 14 days during which time anyone can make submissions to DIPNR on the project. DIPNR will consider all submissions when assessing the feasibility of the proposal. In the meantime, if you would like any further information or wish to provide comments on this proposal, you are invited to indicate so on the attached reply paid feedback form. One of the representatives from our environment team will be happy to meet with you individually to provide any further information regarding this process.

## Our Environment

Ulan Coal is committed to maintaining and improving our environmental management, environmental performance and community liaison.

We manage our environmental impacts and risks through our Environmental Management System (EMS). Our EMS ensures we conduct regular environmental monitoring and auditing to gauge performance, compliance with regulatory requirements, and to minimise impacts on the surrounding community. The results of our monitoring and auditing are compiled into annual environmental management reports that are sent to key government agencies and are also publicly available.

### Water

Water management is a key component of our operations. Ulan Coal is a 'water surplus' mine site and this water is managed in a variety of ways such as evaporation, recycling and irrigation. In the past, surplus mine water was pumped into the Goulburn River under license, however, Ulan Coal's' commitment to on site water management led to the establishment of an innovative and sustainable initiative - the Bobadeen Irrigation Scheme. This unique scheme uses surplus mine water to irrigate 242 hectares of land specially planted with perennial pastures of rye grass and lucerne which are used for cattle grazing and fodder production. Surplus mine water is first pumped to a holding dam and then to five centre-pivot irrigators. The pasture is kept at an optimal level by carefully monitored rotational grazing by beef cattle and the production of fodder. This \$7 million Scheme will utilise approximately 7 megalitres of water per hectare each year.

## Message from the Operation Managers

A warm welcome to the first edition of Ulan Coal Mines' Community Newsletter, *The Ulan Focus* which has been developed to keep you informed about what's happening at Ulan. We have included a reply paid feedback form and we encourage you to give us feedback on not only this newsletter but our operations and performance in general.

Ulan Coal Mines Limited "Ulan Coal" is one of the most established coal mining operations in the western coalfields of NSW. In 2004, we produced approximately 4.7 million tonnes of saleable coal from our open cut and underground operations. Approximately 3.7 million tonnes of 2004 production was exported and 1 million tonnes were used domestically.

Ulan Coal is proud to be one of the largest employers in the Mudgee / Murrumbidgee / Gulgong area. We currently employ over 300 people of whom approximately 90 per cent are from the local area. Our priority is to provide a safe work environment for all our employees and to be a leader in best practice environmental management. The current expected life of our operations is at least another 15 years and we look forward to continuing to be a part of the community.

We want to ensure that this newsletter meets your information needs so please provide us with any comments you may have on content and format. Thank you for your ongoing support and we look forward to continuing to work with you going forward.



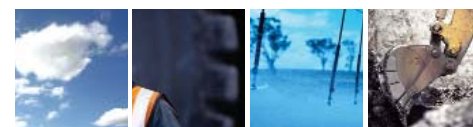
Murray Wood  
Operations Manager,  
Underground



Don McLachlan  
Operations Manager,  
Open Cut



At Bobadeen, five electric powered centre-pivot irrigators pump mine water over 242 hectares of land planted with perennial pastures.



## Land Management



Emma Reid, of SJ Landscapes Constructions, holding tube stock grown from local provenance seeds at Ulan's local nursery at Wollar.

### Site Rehabilitation

Ulan Coal, with the assistance of our local community, is currently involved in a site revegetation program covering approximately 90 hectares of land. Members of the local community are assisting us with the collection of local provenance seeds which will be used in the revegetation program.

In September last year, we hosted a wonderful team from Conservation Volunteers Australia which greatly assisted us with our site rehabilitation. The volunteers planted a corridor of an incredible 6,000 trees at the Bobadeen Irrigation Site. These trees will, in time, provide shade and shelter for grazing stock in addition to providing native wildlife habitat and increased biodiversity across the site.

### Hazard Reduction

Ulan Coal is committed to ongoing fire hazard reduction as demonstrated by the large clouds of smoke you may have noticed in autumn, last year. These smoke clouds were the result of hazard reduction burns across 1,600 hectares of land. Such fire reduction strategies help protect our neighbours from bushfire risks and also protect our remote infrastructure. In addition to reduction burns, we regularly upgrade our fire trails and are actively represented on the district Bushfire Management Committee.

### Weed Control

As a significant landholder in the area, Ulan Coal is aware of its responsibility for on site weed control. We have implemented an ongoing weed control program targeting noxious weeds such as St Johns Wort and blackberry and this year, the program will also be targeting Patersons Curse.

### Feral Animal Control

Ulan Coal is equally aware of and committed to its responsibility for the control of feral animal populations such as pigs, goats, wild dogs and foxes. We use a variety of control methods including trapping, shooting and baiting to keep feral animal populations under control and on the decline. Large-scale control programs are also undertaken in conjunction with the National Parks and Wildlife Services and the Rural Lands Protection Board.

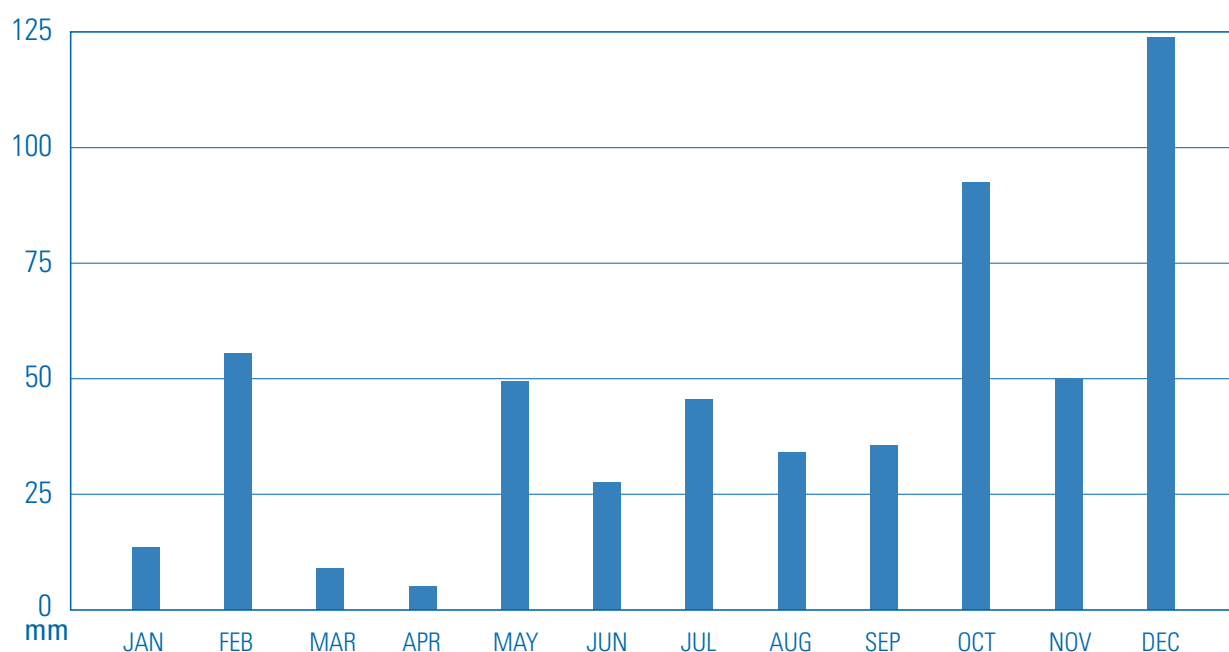
### Locust Control

Ulan Coal was not spared from the devastating effects of the locust plague last year. Locust control has subsequently become another critical land management issue that we address and manage through on site spray applications, both land based and aerial.

## Blasting

Ulan Coal has four blast monitoring sites, three of which are located in the village of Ulan. As our open cut operations occur in relative close proximity to neighbouring landholders, blast monitoring and community consideration remains a key part of our operations. An independent consultant monitors all blasts and the results are reported in our Annual Environmental Management Report. We continue to contact our neighbours that have requested notification prior to blasting.

## Annual rainfall (mm) 2004



## Community

Ulan Coal values and respects the community and is proud to be involved in community initiatives such as our support of and involvement with the Red Hill Environmental Education Centre. The Centre, based at Gulgong, is part of the NSW Teaching Network. It provides environmental and cultural heritage education on a variety of issues to school children from primary to Year 12.

During October last year, Ulan Coal hosted its first Red Hill Environmental Education Centre tour - a Duke of Edinburgh Qualifying Expedition. Fifteen Year 9 students from the local area undertook a 20 kilometre, two-day walking expedition along Ulan Creek (from Ulan Coal's offices up towards the Bobadeen Irrigation Scheme) and finishing at Bobadeen Station. We will continue our active involvement with the Centre and remain a part of the Centre's regular curriculum.



Students from the local area participated in the Duke of Edinburgh Qualifying Expedition at Ulan.

We also have a long and active ten year history as host to the NSW Minerals Council Teachers' Tour. The Teachers' Tour brings together teachers from all over NSW (ten at a time) and provides an invaluable opportunity to increase their knowledge and exposure to the process of open cut and underground coal mining. Four Teachers' Tours are held each year.

Ulan Coal maintains its partnership with the local community through its Community Consultative Committee (CCC) which meets every six-months to provide a forum for interaction between the community and mine management. Current CCC members include: **Murray Wood** (Operations Manager, Underground, Ulan Coal), **Arthur Williams** (local landholder), **Gabrielle Cusack** (Environmental Officer, Mid Western Regional Council), **Rod Wilson**, **Nicole Croker** (Environmental Consultants), **Paul Gibb** (Ulan Coal Environmental Operations Superintendent), **Julia Imrie** (Hunter Central Rivers Catchment Management Authority and Community Representative), **Scott Lillis** (Community Representative), **Wej Paradice** (Hunter Central Rivers Catchment Management Authority), **Bev Smiles** (local landholder and environmental lobbyist) and **Mark Shortis** (Upper Goulburn Landcare Officer). The next meeting will be held in April 2005.

Consulting with the community is integral to how we operate. In doing so, we want to ensure we provide you with information on our operations and upcoming projects, as well as give you the opportunity to raise any issues of concern that you may have regarding our operations. We are interested in hearing your views and encourage you to contact us to arrange a time to meet with us if you would like further information regarding our operations and performance. A reply paid feedback form has been enclosed with this newsletter and we encourage you to send us your comments.

### Company Contact Details

Ulan Coal Mines Limited, 3935 Ulan Road, Ulan  
Private Mail Bag Mudgee NSW 2850 Phone (02) 6372 5300 Fax (02) 6372 5333



**Paul Gibb**  
Environmental Operations Superintendent  
Phone: (02) 6372 5387  
Email: paul.gibb@ulancoal.com.au



**Stephen Bragg**  
Environmental Officer  
Phone: (02) 6372 5368 or 6372 5300  
Email: stephen.bragg@ulancoal.com.au