

# 1 XSTRATA ADDRESSES CLIMATE CHANGE



New and exciting news regarding Xstrata's future and innovative activities.

# 2 UNDERGROUND NEWS



Subsidence management plan for future longwall mining.

# 3 AERIAL DOG BAITING



Ulan working with RLPB to eradicate wild dogs.

# 4 GOULBURN RIVER UPDATE



Successful trial of water discharge to Goulburn River.



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# The Ulan Focus

Ulan Coal Mines Limited Community Newsletter. **May 2007 Issue No.3**

Welcome to the latest edition of *The Ulan Focus*, which provides you with an update on what's been happening at Ulan Coal Mine (Ulan).

## Xstrata Committed to Climate Change Actions

**The Year Ahead** (Authored by Peter Coates – Chief Executive)

Climate change is the most important and politically charged issue facing the coal industry in 2007. Xstrata Coal's Chief Executive, Peter Coates, explains what we are doing to help find a global solution:

In the year ahead, climate change will remain one of the most important and influential political and community challenges facing the resources sector. As the world's largest exporter of thermal coal, Xstrata Coal has both a right and a responsibility to proactively engage with Government, industry and environmental groups to help find a sustainable and financially viable solution.

I believe Australia has a direct responsibility to reduce emissions, develop zero emission technology and lead by example to both developed and developing nations by demonstrating what can be achieved through financial, scientific and political investment.

As such, Xstrata is committing millions of dollars towards various projects for the development and testing of clean coal and

greenhouse emission reduction technologies. We are working alongside other members of industry, Government and the scientific community to find a practical and economically secure way forward.

The future projections for energy consumption are clear. Global energy demand will increase by more than 60% over the next 25 years and as a result, we will need all available energy sources (fossil fuels, nuclear and renewables) to meet the huge growth in demand.

It is therefore important that we pursue all options and continue to commit to industry and Government initiatives both in Australia and internationally to test the application of low emission technologies, including carbon capture and storage. It is also important that we consider the broad implications of a potential global carbon trading scheme.

Right now we have an opportunity to make a difference and I look forward to working with you to enable Xstrata Coal to lead by example.

Current activities include:

- Commitment of US\$25M to the FutureGen Alliance, for the development of an integrated near-zero emission coal-fuelled power plant in the United States;
- Commencing 2007, Xstrata Coal will contribute to the COAL21 Fund, a voluntary levy for the development and demonstration of clean coal technology in Australia;
- Significant financial support for the development and implementation of Clean Coal Technology projects, including CO2 storage and demonstration of oxy-firing;
- Methane power generation projects at Oaky Creek in QLD and Teralba in NSW.

## News from the Underground

### Future Flow of Goulburn River

Ulan is a water surplus site, whereby the volume of water generated from its operations exceeds the sites operational demands. The management of water is regulated by the Department of Environment and Conservation through its Licensing program.

In June 2006, Ulan commenced an innovative trial for its water management system whereby a Reverse Osmosis Plant (RO Plant and otherwise known as a desalination plant) was used to treat surplus water (remove salt) and discharge this water to the Goulburn River. The trial proved to be very successful and saw the discharge of 977 megalitres to the Goulburn River over a 4 month period (at an average of 7.53ML per day).

Key successes of the trial included:

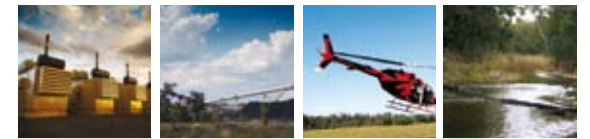
- An increase in macro-invertebrate species richness for the duration of the trial in the receiving waterbody, Ulan Creek;
- Positive results on the creek morphology (stability) pre and post discharge;
- A much appreciated flow in the Goulburn River during a period of severe drought.

Following the success of the trial, Ulan plans to submit an application for variation of its Environmental Protection Licence with the Department of Environment and Conservation to see offsite discharge a permanent fixture.

Ulan's Operations Manager, Murray Wood is very satisfied that a positive outcome will soon be achieved on the permanent discharge. "We're very happy with the results of the trial. It's now important for Ulan to see a system implemented that is sustainable and environmentally responsible. Having my own patch of lucerne, I'm sure there are plenty of downstream water users that would like to see our negotiations with government agencies progress faster, however we are ensuring that all agency and community concerns are being addressed prior to the completion of negotiations. I would hope to be able to provide further positive updates in future newsletters" said Mr Wood.



Goulburn River during the discharge trial.



## News from the Underground continued Managing Subsidence in Underground Mining Areas

Ulan's underground operations are currently mining coal in the eastern areas of Mining Lease 1468 (ML1468) under a Development Consent that was granted in 1999. As mining progresses northwards within the consented area, management plans based on detailed assessments are required to be developed to address potential subsidence related impacts associated with underground mining. Ulan as part of their regulatory responsibilities are required to seek approval of these management plans from Department of Primary Industries - Mineral Resources prior to any underground mining.

Ulan is currently preparing a Subsidence Management Plan (SMP) application for two longwall panels, with these being West 2 and West 3. This study area is immediately adjacent to the previous SMP application area submitted in 2005 for longwall panels 23-26 and West 1. The SMP study area for West 2 and West 3 panels is shown in the accompanying diagram.

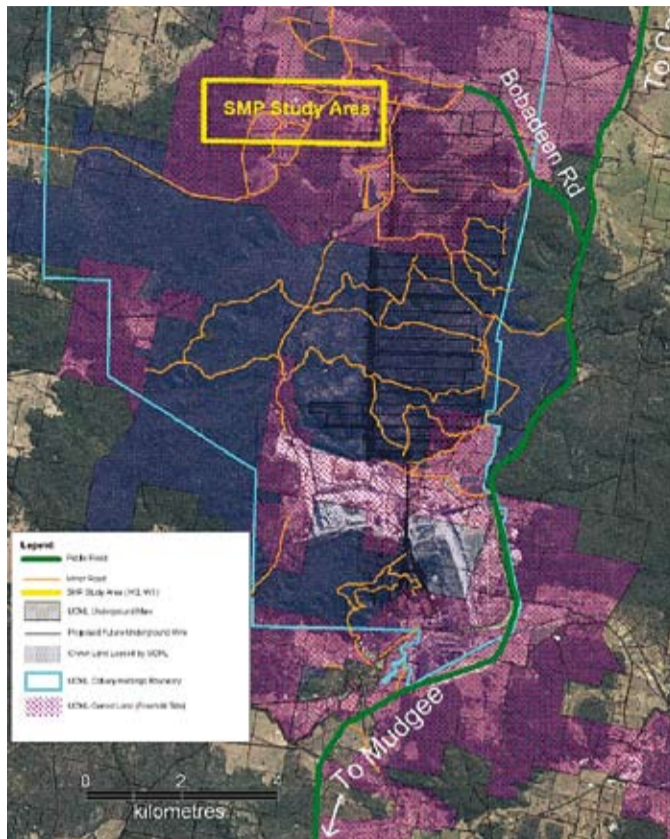
Ulan's Environment & Community Manager, Phil English, said "With any of our approval applications, our consultation with key stakeholders is crucial to us (Ulan) improving the way in which we conduct our operations. In looking at the Subsidence Management

Planning process specifically, it aims to ensure that appropriate controls are adopted to address potential and specific subsidence impacts from underground mining through management plans."

It is important to note that the results of initial subsidence monitoring undertaken to date for the new 'fat face' 400 metre longwall indicate that subsidence levels are currently below predicted levels. Ulan's conservative approach to predicting, assessing and managing subsidence and potential impacts are the result of both years of ongoing monitoring and detailed technical investigations.

"It should be understood that our investigations into West 2 and West 3 do not signify an extension to our operations, however are a detailed approval process to ensure that subsidence impacts from underground mining are specifically addressed and responsible controls are adopted" said Mr English.

The mine will be placing further notifications of the preparation and submission of the SMP application in local newspapers in the coming weeks, and invites comment from the wider community. Further information can be obtained by contacting Phil English at the mine on (02) 6372 5300.



The SMP study area West 2 and West 3 shown in yellow. The blue and purple colouring indicates areas of Ulan owned land.

## News from the Open Cut

### Goulburn River Diversion Baseline Project

The Goulburn River flows adjacent to Ulan operations and was diverted from its original course in 1981 in preparation for open cut mining as part of the Stage 1 Development Approval. This diversion relocated a 3.6 km section of river approximately 700 metres east to its current location.

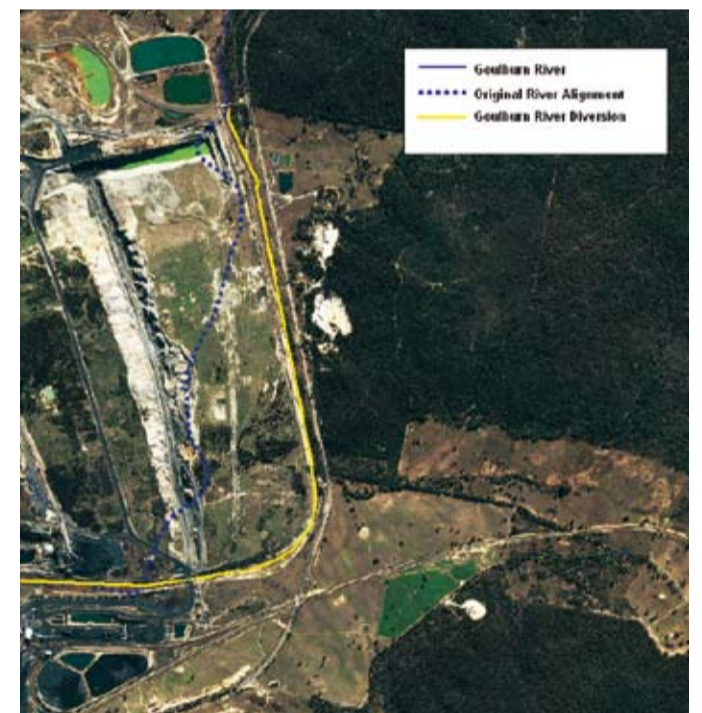
To further understand the impact of the diversion, Ulan has commenced a major investigation into the diversion to develop a baseline of knowledge on the geomorphic health, environmental functioning and hydrological processes of the system.

These investigations will assist Ulan in determining areas where effective restoration works can be undertaken without causing further impacts on the stability of the watercourse and enable Ulan to gain a better understanding of:

- Base flows into and out of the Goulburn River system;
- Possible interactions of the Diversion with previously mined and rehabilitated lands;
- Ecological function of the Goulburn River Diversion as a riparian ecosystem; and
- Potential influence on river water flows downstream caused by the diversion.

The investigations are being undertaken by a team of multi disciplined consultants and currently all physical assessments on the diversion have been undertaken and Ulan is now waiting for a significant flow event in the river to finalise the investigations.

This project is another major commitment by Ulan to further understand and manage the environment in which it operates. For further information on the project please contact Environment & Community Officer – Mr Jamie Lees (02) 6372 5368.



The proposed operational site is further away from the Ulan Village, thereby minimising any potential impacts from the proposed extension.

## Community News

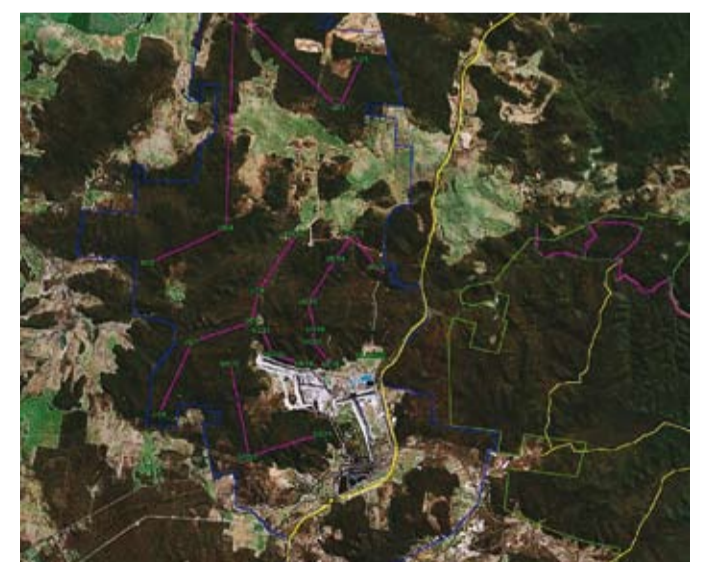
### Wild Dog Baiting

Ulan occupies 17500 ha of land and is committed to the eradication of pest and vermin. On the 3rd May 2007, Ulan in conjunction with the Rural Land Protection Board (RLPB) will be conducting aerial dog baiting. The dog baiting program is a part of a strategy to minimise stock losses in the area, with 480 sheep killed by wild dogs in January alone.

The flight path shown in the accompanying diagram in purple will cover the North and North West areas of the Ulan mine lease. This eradication is part of a two day aerial dog baiting operation which will cover 352km of flight path with 1452kg of baits laid. The initial

baiting will start in the Ulan area and cover the areas of Capertee via Wollar, Bylong and Rylstone. The baits are commercial kangaroo meat combined with 1080 poison. The target species is wild dogs; however, foxes may be eradicated during the operation.

RLPB Ranger Mal Leeson states "The annual program is an important step in protecting native fauna and farmers stock. I encourage people to contact the RLPB and report any evidence of stock and wildlife mauling, dog howling or visual sightings. This is important in refining our flight paths and the success of the program." Members of the community can contact Mal Leeson on (02) 6372 1866.



Aerial Photo of ULMC. Aerial baiting flight path indicated by purple lines.

FOR FURTHER  
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We have included a reply paid feedback form which we encourage you to use.

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VISIT THE ULAN COAL WEBSITE  
[www.ulancoal.com.au](http://www.ulancoal.com.au)