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The Ulan Focus

Ulan Coal Mines Limited Community Newsletter. July 2008 Issue No.5

Welcome to the first edition of the Ulan Coal Mines' Community Newsletter, *The Ulan Focus*, for 2008.

Message from the General Manager

Ulan Coal Mines Limited (UCML) is pleased to introduce the new General Manager for the Ulan Complex, Darren Nicholls. Darren has worked for Xstrata Coal, Ulan's parent company for the last seven years on a number of mine sites both in Australia and overseas. Darren recently returned from Canada where he managed the Donkin Coal project in Canada's Nova Scotia Province.



Darren Nicholls, Ulan Coal General Manager.

I'm excited about the future here at Ulan. There have been some significant advances in all aspects of our operation over recent years and 2008 looks to be another significant year for the business.

Ulan has developed a vision to be 'Australia's premium underground coal operation.' This vision applies to all aspects of our operation, whether it be the health and safety of our employees or the high environmental standards which we maintain.

In this regard, I am pleased that UCML continues to show strong leadership on the health and safety front, with Ulan Underground Mine taking out the Xstrata Coal NSW 2007 Chief Executive Officer's Safety Award. This award is an annual award recognising the operation within Xstrata Coal that has the most improved safety performance or consistently achieves excellence in health and safety.

The award was presented to UCML Underground Operations Manager, Murray Wood and UCML's Health and Safety Manager, Kylie Hannigan by Chief Operating Officer Mr Mick Buffier.

The award included a \$10,000 cheque which UCML plan to donate to a number of local charities. Congratulations to all the team at Ulan Underground for this fantastic effort, it's something which you can be justifiably proud of.

I am also happy to announce that the Subsidence Management Plan (SMP) for long wall panels West 2 and West 3, which was lodged with the Department of Primary Industries – Mineral Resources (DPI) on 16 January 2008, has recently received approval for first workings. The application presented a robust management framework to address the environmental aspects within the application area for Longwall panels West 2 and West 3, however it also presented the environmental agenda for future environmental management relative to Ulan Underground operations.

The application was developed in close consultation with government agencies and our community stakeholders, and I am pleased that we can continue to progress our operations under this approval.

Whilst 2008 presents a significant year for opportunities, it also presents a challenging year for our open cut operations with the completion of our Contract Operations with Downer EDI Mining. The completion of this Contract is a result of exhausting the approved reserves within our open cut operations. The Open Cut operations under Downer EDI Mining have set an extremely high standard during the term of their contract and UCML will be ensuring that the operations are completed in the same manner.

Finally, I'd like to take this opportunity to thank you for your continued support of Ulan Coal Mine.

Darren Nicholls
Ulan Coal General Manager

Around the Mine Open Cut Closure update

In the December 2007 issue of *The Ulan Focus* UCML announced that the Open Cut would complete the mining of its approved coal resources by mid 2008. At the time of writing Open Cut mining contractor Downer EDI Mining had completed mining in the approved area and were undertaking extensive reshaping and rehabilitation works as part of the mining process.

During the term of the contract, Ulan Coal's open cut mine has been one of the most productive open cut operations in NSW.

Xstrata Coal NSW Chief Operating Officer, Mick Buffier, said, "The operation of the open cut has been a successful partnership between Downer EDI Mining and the team at Ulan Coal. We appreciate Downer EDI Mining's efforts to date and are considering future opportunities to retain some of the expertise that exists within the current workforce."

"In addition to our own employment program, we will be working closely with Downer EDI Mining to identify any post contract opportunities that may be available. We will be offering positions to approximately 20 of the current workforce to support the growth of the Ulan Complex and future surface operations."

"Ulan Coal will continue to consider potential new open cut areas within the existing lease and assess new commercial opportunities as they arise. In the meantime the newly commissioned 400M longwall at the Ulan No3 Underground is expected to maintain the same production from the Ulan complex. The planned production afforded by this investment will more than balance the production loss from the open cut closure."



Progressive rehabilitation of Open Cut (4/4/08).



Around the Mine continued

Fuel facilities go at UCML

As part of UCML's progressive rehabilitation policy, UCML have commenced a Hydrocarbon Improvement Program which has involved the decommissioning and removal of a number of hydrocarbon facilities within UCML's surface operations. Stage 1 of the program includes the decommissioning and removal of the former light vehicle refuelling facility and 800,000L bulk diesel tank as well as all fuel and oil storage facilities at the former underground site. Open Cut Operations Manager Mr Don McLachlan, made comment on the project:

"We have been planning the decommissioning of these facilities for a significant time now. Given the significant safety and environmental issues associated with the decommissioning, we were mindful that the job was done safely and effectively. The planning and detailed operational reviews were well rewarded with the decommissioning being a fantastic outcome on all fronts. My congratulations to all involved."



800 kilolitre bulk diesel tank before and after.

Bringing down the wall along Ulan Road

For years the Ulan Open Cut Mine remained hidden from view by a two kilometre wall of solid dirt. This wall, built when the mine was first established, was designed to shield the mine from passing traffic on Ulan Road.

In March this year UCML brought down the wall to make way for a more aesthetically pleasing "wall" of trees and shrubs. UCML took advantage of some good rainfall in early June and undertook a tree planting program, with approximately 8,500 native trees being planted in the area. A cover crop of oats has also been established to stabilise the area and provide some good ground cover.

"I'm really pleased with the success of the tree planting project. It was a good opportunity to make a real commitment to ongoing rehabilitation of the Ulan site" said Darren Nicholls, General Manager of the Ulan Mine Complex.



New tree screen area.

Ulan Coal Continued Operations

Ulan is currently seeking an updated project approval for the entire Ulan site.

Currently the open cut and underground mines operate under many different development consents. Ulan is seeking a new project approval for the entire mining complex that will update these development consents into one single approval. This approval will apply to the areas approved under previous consents as well as including a possible extension to the existing open cut. All mining activities will continue to occur within Ulan's existing Mining Lease boundary.

The new approval will seek to update the mine plan of the previously approved "Ulan West" underground mine allowing for the operation of a similar set of Longwall equipment to that which is being used in the existing underground mine.

If Approval is granted and Xstrata Coal approval is gained, mining could occur at the same time within the Ulan West, Ulan No 3 and possibly an Open Cut mine. This will increase the amount of coal that is produced from 10Mtpa (million tonnes per annum) to 20Mtpa and will continue operations at the mine for a further 21 years. To do this it is anticipated that there will be an increase in the workforce of approximately 270 positions.

Ulan has commissioned environmental and social assessment studies to investigate and evaluate the potential effects of the proposed project. The Environmental Assessment (EA) process is likely to take around 12 – 18 months to complete and will address

social, economic and environmental issues which include, but aren't limited to: subsidence, noise and dust from operations, water and greenhouse gas emissions.

Community involvement is a key element of the process and we want to ensure that we are able to fully understand and assess the projects impact on the local community. Consultation is on-going and has commenced with a range of stakeholders, including nearby landowners, community groups and local and state government representatives. Many employees have also participated in a survey to allow us to better understand what the likely changes of an increased workforce may be on the nearby communities.

Strategies to manage potential impacts and to enhance benefits to local communities and the region more broadly will be included in the Environmental Assessment. Anyone wanting to find out more about the mine's existing and proposed operations or who would like to take part in the community consultation is invited to contact Jamie Lees at Ulan Coal Mines Limited or Erika Blockley at Coakes Consulting on the following numbers:

Jamie Lees
Approvals Coordinator
Ulan Coal Mines Limited
0428 619 577 or 02 6372 5368

Erika Blockley
Principal Consultant
Coakes Consulting
0411 696 610

Community News

UCML donates to men's health

In February this year Australian cricket legend Merv Hughes came to town to spread the word about Andrology Australia, an organisation dedicated to raising awareness of men's reproductive health. Whilst in town, Merv attended a gala dinner to raise funds for "MERV", the Men's Education Rural Van, and the Mudgee Mental Health Teams' "Mudgee Men's Shed", a place where men can go to meet, talk and share experiences. During the dinner, UCML Underground Operations Manager, Murray Wood, took the opportunity to present Merv with a cheque for \$14,000 to go towards the MERV and Mudgee Men's Shed. "Ulan Coal is pleased to be able to contribute to such a worthwhile cause. The Mudgee Men's Shed is a great initiative" he said.

Senior's visit the mine as part of 2008 Seniors Week

On 7 April 2008 UCML took around 50 senior citizens for a spin around the mine as part of the 2008 Seniors Week celebrations. The group, all members of the Wellington Senior Citizens Club, were treated to a tour of the Open Cut Mine and the Bobadeen Irrigation Scheme, followed by afternoon tea with the General Manager of the Ulan Complex, Mr Darren Nicholls. According to group leader Lynne Rich, "the group had a fantastic day and were fascinated by the tour of the mine". Likewise, UCML thoroughly enjoyed hosting the group and were pleased that everyone had a enjoyed the visit and went away a little wiser as to how a mine functions.



Seniors enjoying afternoon tea following the mine tour.

Wanted! More CCC Members

UCML are currently looking for expressions of interest from members of the local community to join the UCML Community Consultative Committee (CCC). The CCC meets on a quarterly basis to discuss issues relating to the mine operations and impacts on the surrounding community. Attendance at the meetings is voluntary. At this stage UCML are looking for two new members. For more information please contact Phil English, Environment and Community Manager, on (02) 6372 5387.

FOR FURTHER
INFORMATION
CONTACT:

Phil English
Environment & Community Manager
t (02) 6372 5387 e penglish@xstratacoal.com.au

Jamie Lees
Approvals Coordinator
t (02) 6372 5368 e jlees@xstratacoal.com.au

Cheryl Holden
Environment and Community Officer
t (02) 6372 5329 e cholden@xstratacoal.com.au

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

Company contact details: Ulan Coal Mines Limited, 3935 Ulan Road, Ulan Private Mail Bag Mudgee NSW 2850 t (02) 6372 5300 f (02) 6372 5333

NEW 24 Hour UCML Community Complaints Line 0417 049 493

VISIT THE ULAN COAL WEBSITE
www.ulancoal.com.au