

Metropolitan Coal

Community Newsletter

December 2015



From the General Manager

Welcome to the Metropolitan Coal Community Newsletter.

My name is Andrew Clough and I'm the new General Manager at Metropolitan.

As you may be aware, Metropolitan has undergone some significant changes in 2015. In May, we announced a scale-back of production against budget of 600,000tpa (from 2.6 to 2 million tonnes) and a reduction in permanent employees and contractors of 20-25%. The scale-back also meant the mine has transitioned from a seven to a five day (Monday to Friday) roster.

These changes came into effect in July 2015 and were part of a series of actions Peabody took to reduce cost structures and improve productivity across its Australian mines, in response to current market conditions.

While scale-back was necessary to help support the longevity of Metropolitan, I understand and regret the impacts it has had on many of our employees, their families as well as our local community and I would like to thank the community of Helensburgh for its ongoing support.

Despite the current challenging conditions, I continue to be proud of Metropolitan's achievements.

Our crews are achieving record production, and our underground emplacement trial continues its success with 80,000 tonnes of waste rock emplaced into empty underground workings of the mine. This equates to 6,000 truck movements through Helensburgh eliminated.

Metropolitan was awarded Peabody's safest 2014 underground operation

and were winners of Peabody's Global Safety Innovation awards. We have also continued to review and build on our industry best practice dust suppression system, with installation of additional dust sprays at our coal wash reject stockpile. This brings our dust suppression sprays to a total of 36, covering more than 90% of stockpile surfaces.

I'd like to take this opportunity to thank our community and staff for their support during this challenging year and wish everyone a safe and merry Christmas and all the very best for 2016.

Thank you for your interest in Metropolitan Coal.

**Andrew Clough, General Manager,
Metropolitan Coal**

CCC Visits Port Kembla Coal Terminal

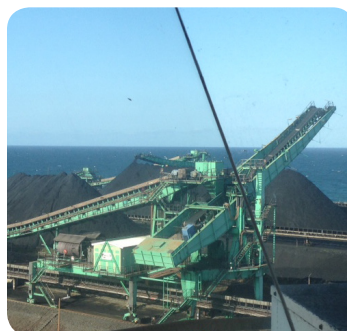
Metropolitan Community Consultative Committee (CCC) members took a break from the office for their October meeting and took part in a tour of Port Kembla Coal Terminal. The group learned about PKCT's dust control and stockpile management processes and got a bird's eye view of the site from the central control tower. *Thank you to Port Kembla's Alex Chalk and Luke Pascot for making the visit possible.*



About the CCC

Metropolitan's CCC is a community group established to provide a link between the mine and the community.

The group meets quarterly with Peabody environment, community and management representatives to discuss a range of issues, including operational matters which have a bearing on the community.



CCC members, Peabody and Port Kembla staff take a tour of the coal terminal



60 seconds with the GM

Metropolitan GM Andrew Clough talks to Metropolitan Community News.

Tell us about your family: 'I have been married for 27 years to Lis and we have 3 children: Timothy (22), Natasha (20) and Joshua (17).'

What's your hometown? 'I was born in Wollongong hospital and grew up in Thirroul. I started my career in the local coal mining industry whilst I studied at Wollongong University.'

Do you have any hobbies? 'The main ones are playing the piano, wildlife photography and learning a foreign language (currently Brazilian Portuguese).'

What's your star sign? 'I'm a cancer. I'm not a big believer in astrology but we do all dance to the same music as the planets.'

Describe yourself in 3 words: 'Engaged in life'

What's the best advice you've been given: 'If you are not part of the problem or, part of the solution, it is probably not your business.'

How did you end up in the coal industry? 'I obtained a cadetship when I finished high school to study mining engineering part time whilst working as a

coal miner. I started at the same colliery as my father who was a miner driver and my brother who was a fitter. We actually all worked in the same panel together on night shift for some time.'

If you could have dinner with any historical figure, who would you choose and why?

'I would have dinner with Leonardo Da Vinci and, assuming I could understand Italian, find out who the woman was in the Mona Lisa painting and what she is smiling about.'

Who's your favourite musical act?

'I have seen a lot of concerts but Bruce Springsteen and the E-Street Band are a standout for good old fashioned rock and roll energy.'

DID YOU KNOW?

Metropolitan produces metallurgical coal which is used to make steel.

Coal is Australia's principal energy source providing 75% of its grid electricity



Peabody's coal ends up in many day to day items, like homes, cars, planes, golf balls, tennis rackets, screwdriver handles, plastics, bowling balls and linoleum

Underground emplacement: on track for zero truck movements by 2021

Metropolitan is the only coal mine in Australia that recycles coal waste rock by storing it in disused underground workings. The waste rock is processed into a coarse paste and pumped into underground and abandoned mine workings.

The recycling project is still in the pilot phase but the pilot plant is running well and by 2021 the full scale plant is expected to eliminate the need to transport waste rock by truck through Helensburgh.

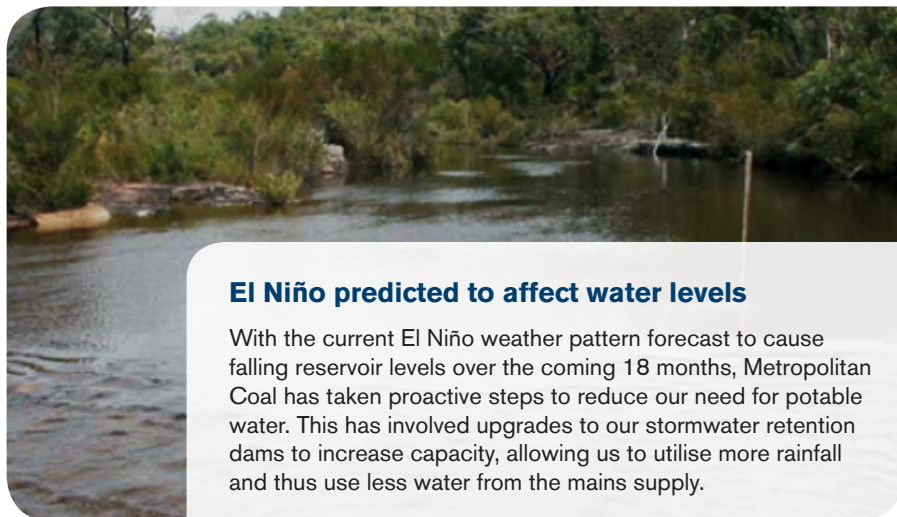


At the end of 2014 coal wash reject trucking had been reduced by 15% on 2011 levels. In addition, with the closure of Illawarra Coking Company in early 2014 and cessation of product coal road deliveries, this resulted in a total reduction in trucking of 40%, representing more than 13,000 fewer truck journeys through Helensburgh.

Protecting the catchment

The Waratah Rivulet traverses Metropolitan and is part of the Woronora Special Area, a catchment owned and administered by the WaterNSW that includes the Woronora Dam drinking water storage.

While Metropolitan has not mined beneath the stored water of the Woronora Reservoir, concerns have been raised about the impact of longwall mining on water levels and water quality in the catchment. In response to these concerns, Metropolitan's project approval issued by the NSW Department of Planning and Environment includes strict environmental performance measures relating to protecting the integrity of the Reservoir. These measures aim to ensure mining will have no significant impact on the quality or quantity of water entering the Reservoir.



El Niño predicted to affect water levels

With the current El Niño weather pattern forecast to cause falling reservoir levels over the coming 18 months, Metropolitan Coal has taken proactive steps to reduce our need for potable water. This has involved upgrades to our stormwater retention dams to increase capacity, allowing us to utilise more rainfall and thus use less water from the mains supply.

Supporting our communities

Metropolitan continues to support Helensburgh and surrounding communities through a range of community investment initiatives. These include Holy Cross School's Yulunga Garden Program which has involved 20 students from Grades 3, 4, 5 and 6 who developed the Yulunga Garden from a struggling vegetable patch to a flourishing native garden.

Metropolitan Coal also recently donated \$5,000 towards installation of synthetic turf in the playground at Stanwell Park Public School to replace the struggling grass which had to be frequently replaced. Reception to the new playing surface has been a big thumbs up, with the area now able to be utilised year round without creating a dustbowl and reducing chance of injuries.



Coal Town video features Metropolitan

Metropolitan's 129-year history is showcased in a new music video by songwriter and performer, James Stewart Keene. Local artist Keene shot much of the video for *Coal Town* on site. *Coal Town* was co-written with Golden Guitar winner Allan Caswell, best known for his international hit *On The Inside* from the famous 80s Australian TV show *Prisoner*.

James' song was inspired by his long family history within Wollongong's coal mining industry.



Cladding installation around the plant has reduced noise by up to 50%

Noise management: upgrades take effect

Metropolitan is pleased to announce our Coal Handling and Prep Plant (CHPP) Cladding Upgrades have reduced noise impacts by up to 50%.

The upgrades have involved progressive assessment and recladding of sections of the CHPP buildings to lessen impacts on Parkes, Old Station and Oxley Street neighbours.

This includes enclosure and cladding with Kingspan on the west wall of the plant which has achieved a near halving of historical sound levels.

Peabody
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If you would like to know more about Peabody Metropolitan Coal visit www.peabodyenergy.com or call Metropolitan Coal's 24 hour Community Line on 1800 115 003.