

In accordance with Part 2 of the *Environmental Protection Act 1994 (EP Act)*, Peabody has voluntarily applied to prepare an Environmental Impact Statement (EIS) for each proposed project. The following information provides details on current activities for the expansions in relation to the Environmental Impact Assessment process.

Eaglefield Expansion Project (EEP)

The existing Eaglefield Coal Mine is located approximately 36 kilometres (km) north of Moranbah and 32 km southwest of Glenden in Central Queensland.

The draft Terms of Reference (ToR) for the EEP was made available for public comment from 2 February until 13 March 2009. The Department of Environment and Resource Management (DERM) received 19 responses to the draft ToR and submitted these to Peabody for response.

The main comments received were regarding the cumulative socio-economic impacts that may occur from mining companies in the region expanding their existing operations.

Peabody is amending the draft ToR as a result of the written comments and the final ToR will be available to view, by the end of May 2009, at: www.peabodyenergy.com.au or www.epa.qld.gov.au/environmental_management/impact_assessment/eaglefield_expansion_project/

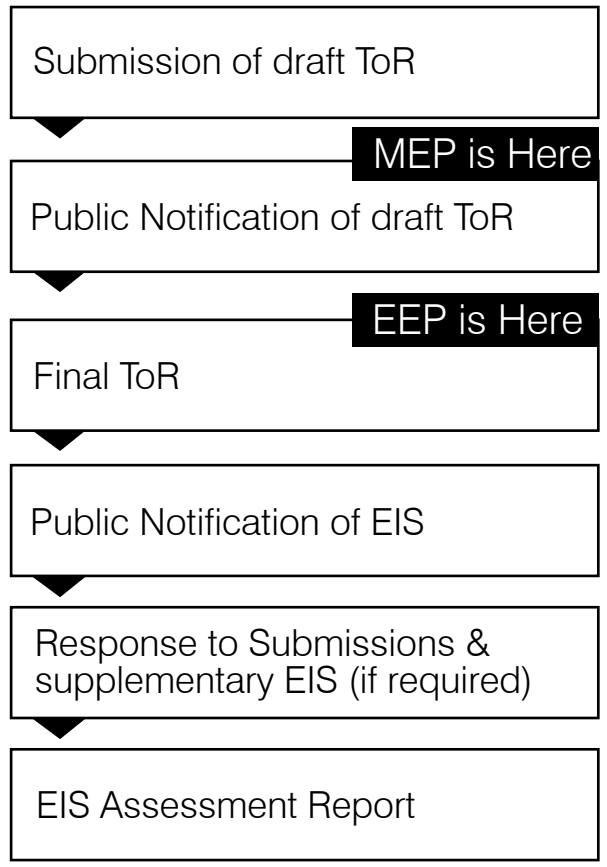
Millennium Expansion Project (MEP)

The existing Millennium Coal Mine is located approximately 22 km east of Moranbah and 16 km southwest of Coppabella in Central Queensland.

The draft ToR for the MEP was made available for public comment from 8 April until 25 May 2009. DERM will collate written submissions and submit these to Peabody for consideration. After any amendments, the final ToR will be made available for viewing by August 2009.

The draft TOR can be viewed at: www.peabodyenergy.com.au or www.epa.qld.gov.au/environmental_management/impact_assessment/eaglefield_expansion_project/

The process for the environmental impact assessment is as follows:



The final stage of regulatory approvals for the expansion projects is expected to be 2011. Vacancies will be advertised when the expansions are due to commence construction.

To register your interest for employment at that time, please visit <http://careers.peabodyenergy.com.au/apply.htm>.

EPBC Referral

In compliance with the *Environment Protection & Biodiversity Conservation Act 1999 (EPBC Act)*, Peabody has referred both the EEP and MEP to the Commonwealth Department of Environment, Water, Heritage and the Arts for assessment of the potential impacts to Matters of National Environmental Significance.

In total, nine Endangered Ecological Communities (EECs) are likely to be impacted by the EEP and MEP. Five of the EECs being Brigalow associated communities, two semi-evergreen vine thickets and two Bluegrass associated communities. Based on the impacts to listed threatened species and communities (Section 18 and 18a) both Projects have been declared controlled actions under the EPBC Act. Details of the impacts, mitigation and offset measures for the EECs will be included in the EIS. Vegetation offsets will also comply with Queensland Government policy.

Study Progress

Eaglefield Expansion Project

Air	Dust monitoring has been completed. Issues with coal dust have been raised. Further investigation and modelling on dust will be commencing soon.
Ecology / Offsets	Baseline studies have been completed for terrestrial and aquatic ecology and offsetting works are being investigated.
Geochemistry	Assessing existing data on geochemistry.
Groundwater	Monitoring is already in place and studies are taking place to ensure these are sufficient.
Noise	Noise monitoring for modelling purposes has been completed. Loggers are to be placed at agreed neighbour locations to improve the data obtained and model findings.
Soil / Land Capability	Baseline studies have been completed for soil and land capability.
Surface Water	A detailed Surface Water Management Plan is current. Further studies are taking place to incorporate expansion requirements.

Millennium Expansion Project

Air	Dust monitoring has been completed. Modelling on dust will be commencing soon.
Ecology / Offsets	Baseline fieldwork has been completed for terrestrial and aquatic ecology.
Geochemistry	Geochemistry assessment currently underway.
Groundwater	Groundwater modelling is ongoing.
Noise	Noise monitoring has been completed and loggers are to be placed at agreed neighbour locations.
Soil	Baseline studies have been completed for soil.
Surface Water	Surface water assessment is in progress.

It is anticipated that the draft EIS reports will be available for public comment early in 2010.

Community Reference Group

Peabody invited a wide range of community members to participate in a Community Reference Group (CRG) for both Projects. The key objectives of the CRG are to:

- provide factual, accurate information about the projects and any environmental, social and economic impacts;
- identify and understand existing community values and concerns;
- identify and discuss any issues of concern;
- rapidly develop strategies to mitigate any potential negative impacts;
- demonstrate that the opinions and views of the local community will be considered during the planning and operation of both projects;
- foster long term collaborative relationships with the local community.

The first meeting of the CRG was held on 2 April 2009 and the key issues raised included cumulative socio-economic impacts of mining on local communities and dust levels.

The CRG includes representatives from a range of interested parties, including:

- Isaac Regional Council;
- Moranbah Community Workers Club;
- neighbouring Landholders;
- 4RFM Moranbah Community Radio;
- DERM (formerly the Department of Natural Resources and Water);
- BHP Billiton Mitsubishi Alliance (BMA) Goonyella Riverside Mine.

Community Information Days

Peabody will be holding community information days on the following dates and locations:

Tuesday, 26 May 2009.....Clermont Show

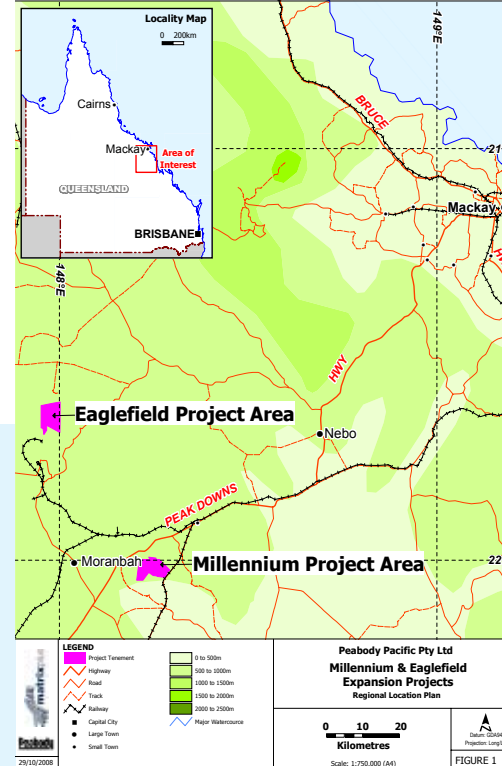
Wednesday, 27 May 2009Clermont Show

Sunday, 28 June 2009 Moranbah Lions Market

Local community members are encouraged to visit and find out more about the MEP and EEP.

For further information about the projects, please contact us on Freecall 1300 119 022 or visit us at www.peabodyenergy.com.au.

PROJECT LOCATIONS



FACT SHEET #2

Peabody Energy Australia Coal Pty Limited (Peabody), a subsidiary of Peabody Energy, has 10 mines in Queensland and New South Wales. The company employs around 3,500 people, including contractors.

Peabody considers Australia to be a premier location for coal mine development and investment and is actively pursuing growth plans with a view to being a long-term participant in the Australian coal industry.

This second factsheet is to keep you updated on the progress of expansion projects at the Eaglefield and Millennium Coal Mines. Peabody is seeking authorisation to extend both open-cut mines and increase production.

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