

Wambo Coal

Community News

June 2015



Welcome to Wambo Coal's Community News

"While the Australian coal industry continues to face challenging conditions, Peabody and Wambo are working to build a sustainable organisation. Our business has delivered strong cost reductions under our repositioning program to offset the declining coal price and we continue to work to achieve further cost and productivity improvements.

We believe that market factors affecting the Australian coal industry are cyclical. Coal remains essential to our global energy supply and long-term demand remains strong. It fuels 40% of global electricity and even with the growth in renewable energy sources, remains the world's fastest-growing fuel.

At Wambo, we are looking to the future.

Our recently-approved 'Longwall 10A' will enable us to

extend production by 1.9 million tonnes of run-of-mine (ROM) coal and our JV with Glencore is progressing, shoring up our open cut production for the years ahead.

We've also reviewed our practices and enhanced some of our environmental safeguards, like improving our blast management processes and flood mitigation measures to provide greater peace of mind to our community.

Throughout all of this, we retain an absolute focus on safe productivity and the safety and well-being of our people. We urge you now more than ever to continue to join together and support local industry and jobs.

Thanks for your interest in Peabody and Wambo Coal."

Ernest Johnson

General Manager, Wambo Coal

Wambo Coal

Operational Update

Underground approval secured by North Wambo modification

In April, the NSW Department of Planning and Environment approved Wambo's underground modification to develop a new longwall panel which will optimise existing operations. The approval of 'Longwall 10A' will enable us to extend production by 1.9 million tonnes of run-of-mine (ROM) coal.

The approval applies only to North Wambo and does not involve any changes to approved mine life, extraction rate or any other operational aspect.

The approval is subject to existing performance measures and monitoring requirements to help ensure protection of biodiversity and water resources. This includes Wambo's commitment to a minimum setback distance between LW 10A and the Wambo and Stony Creeks.

In its determination, the Department said that with the "implementation of suitable conditions, mitigation measures and amendments to existing management plans, the proposed modification can be carried out with minimal environmental impact".

The new longwall provides continuity of operations with Peabody's nearby South Bates underground mine, expected to commence in January 2016.

"Ensuring continuity would provide significant economic and social benefits by avoiding any significant operational downtime and potential layoffs of the existing underground workforce," the Department said.

"The Department is therefore satisfied that the proposed modification is in the public interest and should be approved, subject to conditions."

Wambo United JV

In late 2014, Peabody and Glencore announced a 50:50 Joint Venture project combining the existing open cut operations at Wambo Coal (Peabody) and United Collieries (Glencore 95%, CFMEU 5%).

The JV is anticipated to deliver approximately 6 million tonnes per annum of saleable coal, including restarting production at Glencore's United mine, which has been in care and maintenance since 2010.

The approval process involves preparation of an Environmental Impact Statement (EIS) as well as applying for Commonwealth approval under the *Environmental Protection and Biodiversity Conservation Act 1999*.

This extensive assessment process will include the ongoing collection of comprehensive environmental data, an assessment of potential impacts and detailing appropriate mitigation and management measures to ensure that the impact of any potential mine plan design is minimised.

Community input will play a key role and the JV Project Team will undertake ongoing consultation with all relevant stakeholders and the community as part of this process.

Exploration at Wambo

Peabody undertakes regular exploration activities on its leases which is independent of both our open cut and underground operations. This helps us build a better understanding of the shape, size, and geological properties of potential resource deposits.

The following drilling is proposed for the 2015 (January – December) exploration program:

- EL7211 – 6 sites
- A444 – 6 sites
- South Wambo – 17 sites (CL743, ML1594, ML1402, CL397)

The majority of drilling will be undertaken on Peabody-owned land, with some drill holes on private landholder properties.

Wambo enforces strict protocols for drilling on both private and Wambo-owned land as part of its site Exploration Permit System. All personnel involved in the exploration program (drillers, geologists and other contractors) partake in a comprehensive environment and community exploration induction to ensure they are aware of our environmental responsibilities and meet individual landholder requirements.

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Open Cut Operations

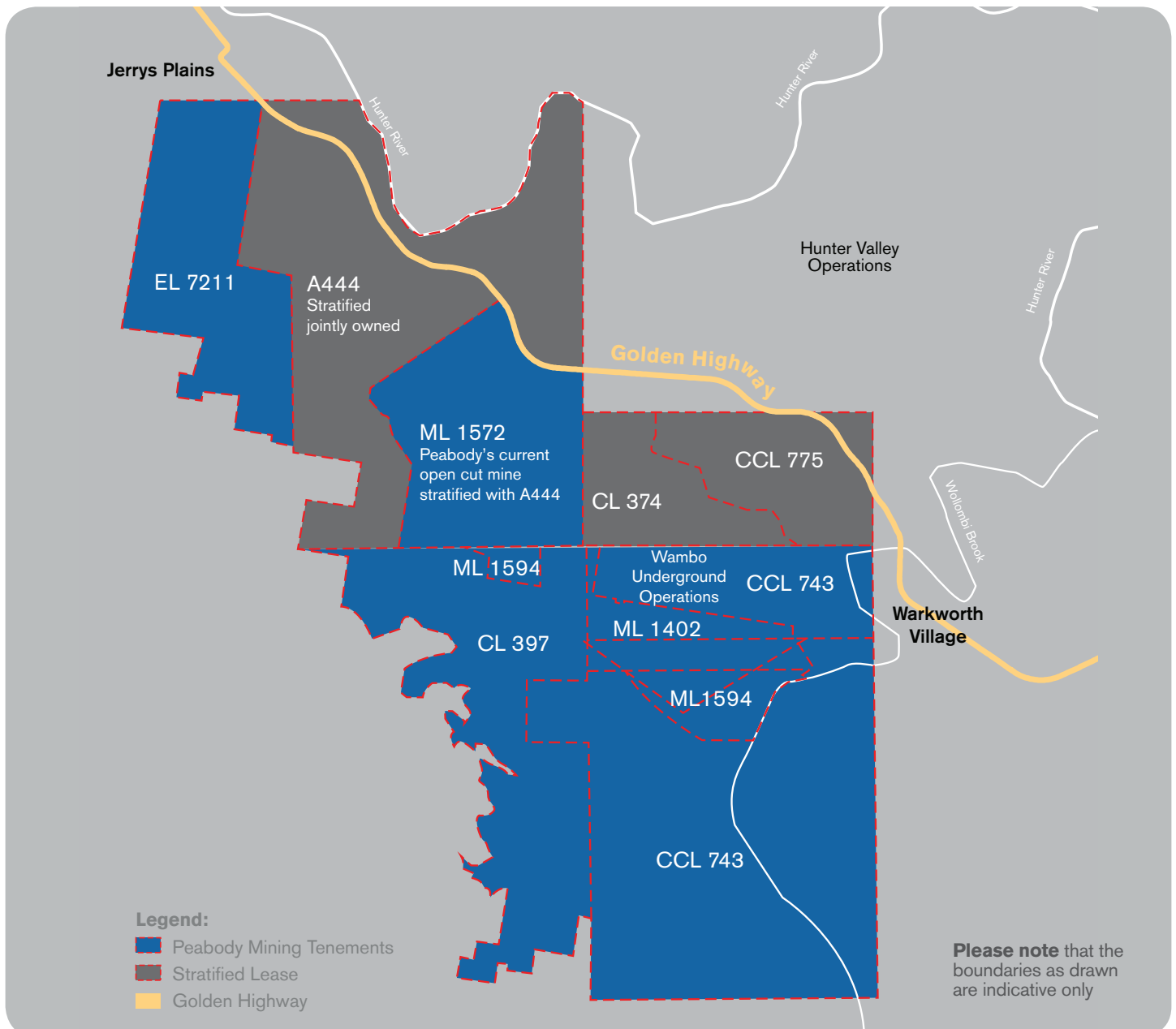
Peabody's open cut operations continue with mining of the Bates South and Montrose pits. The Montrose pit in Wambo's ML1572 will continue to progress in a north-westerly direction, towards Jerrys Plains, before circling back towards the east, away from Jerrys Plains in early to mid -2017.

It is anticipated that open cut operations will be more visible to some Jerrys Plains residents while mining occurs in this area (anticipated about 18 months). As a result, Wambo is undertaking a range of measures to minimise amenity impacts on residents of Jerrys Plains during the period. These include:

- Additional vegetation to minimise impacts on visual amenity
- Blasting and operational controls during windy or dusty weather conditions.

Operations Plan Approvals

On 4 June Wambo's Mining Operations Plan for the period 2015 – 2020 was approved by the NSW Government. If you would like a copy of the plan, visit the Peabody website (NSW Mining) or contact us. All mining operations will be undertaken on Wambo-owned land.



Wambo Coal



Wambo Mine Rescue Team
with Brant Webb at the
Hunter Coal Festival

Teams to the Rescue at Hunter Coal Festival

Wambo Mine's award-winning rescue team did Peabody proud at the Hunter Valley Coal Festival Community Day in Singleton recently.

The team, comprised of **Trent Gray, Reece Cheetham, Jarrod Brown, Mitch Lydon** and **Layton Amidy** participated in the demonstration of the emergency response process for a simulated serious mine incident.

The demonstration at Singleton Council's Civic Park was organised by Mines Rescue in conjunction with the Westpac Rescue Helicopter Service and highlighted the roles and interactions of various emergency services.

Beaconsfield survivor **Brant Webb** provided commentary for the event, explaining to the crowd the various steps involved in the rescue.

Wambo Engages Communities

Wambo continues to keep the community up to date via:

- Regular Community Consultative Committee meetings
- Six-monthly 'drop-in' Community Information sessions
- Community information line 02 6570 2245 (24 hour)
- Community enquiries email wambocommunity@peabodyenergy.com
- Blast information 02 8250 5205
- SMS notifications (register with site)
- Wambo website <http://www.peabodyenergy.com/content/404/australia-mining/new-south-wales/wambo-mine>

If you have a question or complaint about our operations please contact us.



TO REGISTER YOUR INTEREST FOR FUTURE INFORMATION:

Community Enquiries
(02) 6570 2245

Blasting Information
(02) 8250 5205

Email Enquiries: wambocommunity@peabodyenergy.com

Visit: <http://www.peabodyenergy.com/content/404/australia-mining/new-south-wales/wambo-mine>

'Drop in' at a community information session