

Minutes of the Wilpinjong Community Consultative Committee held at Wilpinjong Coal

Peabody Boardroom Monday 26 March 2012

Committee Members Present

Brian McDermott (BM)
Margaret MacDonald-Hill (MMH)
Kim Peach (KP)
Bruce Hughes (BH)
Bev Smiles (BS)
Ian Livingstone-Blevins (ILB)
Kieren Bennetts (KB) – Senior Environment & Community Advisor
Esme Martens (EM)

Invited Guests

Suzanne Cryle – Community Relations Manager – Peabody Energy – Corporate- Brisbane
Jason McWhirter – Environmental Technician
Ron Bush (RB) – Project Development Manager WCPL – Peabody Energy Aust.
Eric Fry & Rob Duncan – Internal Environmental Auditors for Peabody - Observers

Absent: Victoria Tapp (VT)

Apologies: John Webb (JW)
Col Bailey (CB)

Scribe: Linda Atkins (LA)

Commenced: 3.14 PM

Chair: MMH

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| 1. | Welcome: Margaret MacDonald-Hill welcomed everyone to the CCC meeting and introduced: Suzanne Cryle-Community Relations Manager-Peabody Energy Corporate, Eric Fry & Rob Duncan – Internal Environmental Auditors from Peabody Pacific USA - Observers |
| 2. | Declarations of Interest <ol style="list-style-type: none">1. MMH – Independent chairperson approved by DoP&I, Member of the Mine Subsidence Board and Ministers Arbitration Panel2. BM – Declared he is a casual contractor for Wilpinjong Coal Pty Ltd3. BS – Declared to be a member of Mine Watch and Mudgee District Environment Group4. EM – Mid-Western Regional Council Committee Member, also on Ulan, Moolarben Coal and Charbon Coal CCC's as Council/Community Representative. Mid-Western Regional Planning Committee5. KP – Proprietor of Wollar General Store |
| 3 | Confirmation of Previous Minutes – 07 November 2011 <p>BH moved the previous minutes and BM 2nd the motion</p> |
| 4 | Business Arising: <ol style="list-style-type: none">1. KB - RO Plant – Construction progressing. Containers and tanks connecting all electrical systems and commissioning to take place approximately April 2012. Before discharging water relevant members of the community will be informed. EPL allows for up to ten (10) Mega Litres of water to be discharged from site per day, in full operation the plant should be able to treat approximately four (4) Mega litres per day. WCPL is aiming to decreasing onsite water storage to between 1,800 and 1,400 Mega litres, currently there is 3K Mega litres on site, and it will take approximately two years to disperse all of the water.2. BM – Roads between Moolarben & Wilpinjong Coal Mine KB - Moolarben Coal & Wilpinjong are in agreement to re-sheet once approval from the council is received3. KP – Wollar General Store is doing well, mine and local community are supporting the general store. Ongoing refurbishments are in the kitchen and workshop areas. Once completed former workshop will be used as a meeting and function room4. BS – Road strategy – Ulan CCC Meeting MWRC won't approve the proposal5. RB – Peabody Energy has made decision to become Owner/Operator at the end of the Thiess contract period, this was a |

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| | <p>Peabody business decision . Wilpinjong Coal will be owner/operated April 2013</p> <ol style="list-style-type: none"> 6. MMH - Shaun Cleary has left Wilpinjong Coal-Peabody Energy to pursue his goals in other facets of his career, Kieren Bennetts has stepped up to his position effective immediately 7. KB – Jason McWhirter has been invited to present the Environmental Community Update Report 8. KB - Bush Fire Management Plan, copy at Wollar General Store and also available on Peabody website for public viewing |
| 5 | <p>Correspondence Out: Nil</p> <p>Correspondence In: Nil</p> |
| 6. | <p>Report – Kieren Bennetts</p> <ol style="list-style-type: none"> 1. CHPP Expansion completed construction Feb 2012 2. Current Project Approval allows for the production of 12Mt of product coal per year, Modification Four (4) to increase to 12.5Mt of product coal per year and increase number of laden trains leaving site per day from six to ten. 3. Approximately 3000 mega litres of water currently stored on site <p>Traffic Study Ulan Road</p> <ol style="list-style-type: none"> 1. KB - WCPL has submitted the Ulan Strategy Request to Mid-Western Regional Council, MWRC has declined proposals from the three mines. EM – mentioned that rate payers should not have to pay extra on their council rates for the upgrade of Ulan Road, payments should be made by the three mines. If there were no coal mines in the area, there would be no need to upgrade road from Mudgee to Ulan. Figures that were presented by the consultants are double the amount of what was anticipated, it's now back to the negotiating table. Employees travelling to and from Mudgee have increased from 100 to 300 per day 2. ILB – MWRC requested a report from three mines and submitted end of Feb 2012. DoP&I have chosen an independent person assessing Ulan Road for surveys, the report was completed by Dec 2011. Surveys were assessed on current road structure, traffic flow and the value to construct up to council standards and enabling the extra flow of traffic. i.e. light vehicle and semi-trailers 3. ILB – MWRC visited DoP&I and asked for extension on reports, based on traffic count travelling to each mine, MWRC mentioned there are not enough bases in the report to justify the council to pay their share. Upgrading Ulan Road is in vicinity of \$34Mil to \$37Mil. WCPL is contributing towards road repairs and infrastructure under the VPA and paying six percent of royalties to the Government. Some funds need to return to this region. Eventually this (roads) will go to arbitration for a resolution. WCPL have no concerns of funding roads but let's be fair with the resolution outcome. Lithgow Mines, any equipment that needs over hauling travel on Mudgee roads towards the Hunter. WCPL is a Thermal Export Coal Mine not Coking Coal, they make approximately 400 % more profit than Wilpinjong 4. VPA, a condition of Consent, WCPL pays \$650K which is paid up front, annual payment of employing for each person is \$7K per head per year 5. ILB – Forwarded an invitation to GM of MWRC to lobby the Government in regards to royalties and no reply has been received 6. ILB – Ulan-Wollar Road – Between Wilpinjong & Moolarben. This section of the road is held up by Xstrata due to small parcel of land which is now handed back to Moolarben, commencing works immediately, approximately cost \$650K to repair and realign. MWRC responsible for the road from the mine towards Wollar Village 7. Advertising in the local papers of large equipment from the Hunter will arrive via Ulan Road. Five diggers, seventeen truck, and nineteen bulldozers. August 2012 until March 2013, within the periods of less traffic. Communities from the Hhunter to Ulan to be notified either by papers or radio |
| 7 | <p>Report – Ron Bush</p> <ol style="list-style-type: none"> 1. Slate Gully – additional drilling later part of 2012 for three bore holes. Work has commenced on seeking environmental and planning approvals to convert from EL to a ML. Slate Gully proposed to be a lateral expansion of existing Wilpinjong operation with two additional pits proposed 2. Next couple of months will be preparing documents to seek Director General requirements under the new planning arrangements and to commence consultation with the council. Individual briefing with the community and stakeholders members to review the preliminary assessment over next three months |
| 8 | <p>Report – JM / KB – Presentation – Environmental, Dust, Noise, Donations Water - Sept to Dec 2011</p> <p>Train Movements</p> <ul style="list-style-type: none"> • KB – Yet to be approved modification 4 will allow for up to 10 laden trains per day to leave site – BH - people are taking risks while waiting for trains by the crossing due to impatience |

Community Update

- Peabody Energy will be owner/operator from April 2013
- Wilpinjong Bush Fire Management Plan rolled out 20th October 2011:
 - National Parks & Wildlife
 - Rural Fire Services
 - Cooks Gap Brigade
 - Cooyal Brigade
 - Wollar Brigade
 - Wollar General Store

Environmental Incidents

- Nil

Dust results

- All dust monitors are compliant – lost approximately forty (40) hours in production since 1st November 2011

Noise

- Noise Monitor location – No changes
- Attended Noise Monitoring – Conducted on 14th & 15th Nov 2011, mine was audible and compliant, since 1st Nov 2011 mine has lost 112 hours loss of production.

Rainfall

- Average rainfall for Feb & March 2012, Jan 60 MI, Feb 104MI, March 140MI
- Storage onsite, 3K Mega litres due to high rainfall in Dec 2011

Rehabilitation

- Previous rehabilitation for 2010 is at 95 Ha, 65 Ha for 2011 and now complete, proposed 41 Ha for 2012. Rehabilitated 160 Ha to date. Peabody endeavour to rehabilitate 90% of available mined land per year which is 41 Hectares for 2012.

Temperature Inversion Monitoring

- Nil

Donations

- Mudgee Angus Breeders Assoc
- Gulgong Eisteddfod
- Bylong Mouse Races
- Mudgee Veterans Golfers Assoc.
- Rotary Clock Awards
- Mudgee Hospital – New Electronic Bed
- Mudgee Readers Festival
- Cudgegong Public School
- Mudgee Grass Roots Rugby League
- Gulgong Turf Club

BS asked if CCC could have some input into applications.

RB – We receive donation submissions from community health, organisations and schools, there is no formal advertising. Organisations requesting support may request a donation by submitting a written letter and addressing to Ron Bush. Peabody Energy Committee meets once a month.

Mine Planning

1. Mine planning 5 yr Plan – Current approval allows for 12Mt of product coal per year, Modification Four (4) if approved with allow for the production of 12.5Mt and an increase number of laden trains leaving site each day, it's in conjunction with RO Plant. Peabody does have Conditional Approval Consent on the RO Plant. Cumbo Creek Relocation - currently developing a detailed design to relocate the creek.. Flood protections while mining and constructing to avoid any spills or mishaps. Alluvium Consultants have been approved as experts by DoP&I and are working on the relocation plans.

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| 9 | <p>General Business:</p> <ol style="list-style-type: none"> 1. BH – 45 kg gas bottle – Suggested a platform to be built for easier access to slide gas bottles on the back of a truck RB – Wollar General Store –will review gas bottles storage and if can be placed in a cage with loading platform 2. KP – Old books of any kind will be gladly accepted at the general store for PCYC Mudgee Kidzcare, A money box for donations is available to support local Bush Fire Brigade and to be forwarded to the captain of the brigade 3. BS – Asked about Pollution Reduction Program on Dust by EPA. KB – Currently being audited by DoP&I 4. MMH suggested could be an agenda item for next meeting. 5. BS – Many landholders are not interested in selling to the mines and seem under pressure to sell 6. RB – 2011-Large acquisition program, land holders were contacted. Number of landholders have accepted the offer to sell and lease back or sell outright and move on. Program commenced in response to noise concerns with increasing the buffer zone seen as the preferred management strategy.. Landholders who do not wish to sell WCPL do not have to. Some houses are being restored to an acceptable residential standard but some will be demolished as it is not feasible to refurbish. Approximately thirty tenants, mainly employees of Wilpinjong are leasing, with houses in Wollar Village, Araluen Lane and Cumbo Valley. Peabody prefers that houses are not left empty, employees of Wilpinjong are notified of the availability for leasing 7. BM – We took the opportunity to take the offer from Wilpinjong Coal, not due to noise or dust, my family and I chose to sell and made the best decision. It could've been another company to make the offer we still would sell |
| 10 | <p>Next meetings:</p> <p>Monday 25 June 2012 – 3 PM TBA</p> <p>Monday 24 September 2012 - 3 PM TBA</p> <p>Monday 26 November 2012 – 3 PM TBA</p> |
| | Meeting Closed: 4.29 PM |

Action Items List

| Agreed Action Items/Outcome | Who | When |
|--|-------|------------|
| Publication of previous minutes to be placed on Peabody's web site | LA | March 2012 |
| RO Plant – Water flow to Wilpinjong & Cumbo Rivers, Licenses & Presentation | KB | June 2012 |
| EM – Provide a copy of "Criteria for Donations" | KB/JM | June 2012 |
| BS –Dust Pollution Reduction Program when complete forward to members of the CCC | KB | June 2012 |

Wilpinjong Community Consultative Committee

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March 12 2012

«AutoMergeField»

Dear «AutoMergeField1»

The next meeting of the Wilpinjong Community Consultative Committee will take place on **Monday, March 26, 2012** commencing at **3pm** at the Wilpinjong Mine. The agenda for the meeting will be:

Welcome
Apologies
Declaration of interest
Confirmation of previous minutes
Business Arising
Correspondence
Reports
General business
Next meeting.

If you are unable to attend on this date, would you please advise me prior to the time.

Regards

Margaret MacDonald-Hill
**CHAIRPERSON OF WILPINJONG
COMMUNITY CONSULTATIVE COMMITTEE**