

Mt Owen News

Newsletter for our Community
December 2009, Issue no.13



Welcome from the Operations Managers



Xstrata Mt Owen Operations Manager Ashley McLeod pictured right, with David Vink, Thiess Operations Manager.

Mt Owen

On behalf of all Mt Owen employees, welcome to the latest edition of our community newsletter.

Progress on various health and safety programs and the valuable contribution of all our employees, has seen a 38 percent reduction in the Total Recordable Injury Frequency Rate (TRIFR) from 2008. This is a great effort by everyone involved and it is helping us move closer to our target of an injury free workplace.

The last six months has seen a real push, pardon the pun, on re-shaping the Western Out of Pit Dump at Mt Owen. Our target was to rehabilitate 60Ha of this exposed area during 2009 and we have had a full time D11 dozer dedicated to this activity. Our goal is to fast track rehabilitation of all areas not associated with current mining operations. In 2010 we are aiming to complete the capping of the Stage One tailings dam, which is just west of Hebden hall.

Our involvement within the local community continues to be a focus of our operation. We sponsored the Mt Pleasant Horse Sports Day and we are contributing to the Stage Two development works of the outdoor recreation area at Mt Pleasant School.

We donated funds to the Rotary Club of Singleton to enable them to hire motivational speaker Tim Hawkins. Tim spoke to Singleton High School Year 11 and 12 students about their career options once they leave school.

Production for 2009 is expected to be approximately 4.8 million product tonnes, which is consistent with our budget.

We have experienced complex geotechnical challenges, however, our operational people have worked through these to achieve a pit depth of 270m. It is always pleasing to know that we have highly capable and dedicated people contributing to the success of the operation.

As we are heading into summer our bush fire management plan has been reviewed with the Rural Fire Brigade and local land holders. This review is conducted throughout the year, however, on a more regular basis at this particular time. We continually maintain our fire trails and monitor fuel loads.

I wish you all a safe and happy Christmas and a prosperous New Year.

Ashley McLeod

Operations Manager, Xstrata Mt Owen



From left, Xstrata Glendell Operations Manager Tony Israel, with operator Paul Laing and his wife Krystal at the recent Glendell Family Day.

Glendell

Hello and welcome to our latest community newsletter from everyone at Glendell. As 2009 draws to a close we have reached some significant milestones throughout the year.

I am pleased to report that we now have a total workforce of approximately 200 people and we have completed commissioning of our remaining fleet of equipment. Glendell is now at a steady state of operations and has reached full production levels.

Most importantly, it is a credit to all of our employees that during this period of growth

and development we have recorded more than 500 days Lost Time Injury Free.

I see the reason for this achievement being that everyone is following the basics, we are looking out for each other and if someone is unsure they will stop and ask.

One challenge we will face in the future is maintaining the momentum and enthusiasm now that the honeymoon period has passed. We need to maintain our standards and pride in what we do to ensure a consistent level of results are achieved.

During 2009 it has been our pleasure to host visitors from Xstrata Corporate. Comments throughout the visits have included, "nothing but praise for the employees and the operation" and "the results to date are a credit to the way we are performing."

On behalf of Glendell I wish to thank all employees, contractors and community members for your contribution to the success of the operation so far and look forward to working with you in 2010.

Tony Israel

Operations Manager, Xstrata Glendell

Glendell Riders

Glendell Mine employees who participated in the recent Sydney to Wollongong MS bike ride. Front row from left, Angela Ball Administration Assistant, Gary Wills Commercial Manager, back row from left, Derrin Lee Surveyor, Tony Israel Operations Manager and Dean Dunn Health and Safety Coordinator.

The Glendell riders were part of the Downer EDI Soft Cogs who have raised more than \$140,000 for MS as part of the ride.



Employee Profile



Annemieke Grosser, standing with Glendell Mining Engineer Phuc Pham.

Annemieke Grosser

Environment and Community Coordinator, Glendell Mine

Describe your role: Ensuring Glendell Mine has the systems in place to manage environmental and community aspects associated with mining. Reporting on environmental and community performance for the mines owners, Xstrata Coal, to our community and other key stakeholders. The environmental aspects we manage include noise, air quality, water management, blasting, cultural heritage and land management (including, rehabilitation, pest control, and erosion control).

Why environment and community is a career? I gained an appreciation of our natural environment from a very young age and I love meeting new people. A career in environmental management and community liaison was an easy decision. The mining industry is a challenging and rewarding career where my work can make a difference and I can share my passion with others.

When did you start at Glendell?
February 2009

In your spare time you enjoy? Spending time with family, friends and our numerous furry, hairy and scaly pets, travelling throughout country and outback Australia.

Environmental Update



Pictured above: The habitat management zone at Glendell.

Habitat Management Zone (HMZ)

Xstrata Coal made a commitment prior to work commencing on the Glendell mine that a section of remnant or unused land would be classified as a habitat management zone (HMZ).

The purpose of the HMZ is to provide additional habitat for native fauna and, when the zone eventually links up with mine rehabilitation work over a period of time, it will then create a habitat corridor.

According to Glendell Mine Environment and Community Coordinator Annemieke Grosser, the first of a five stage plan of habitat augmentation commenced in June 2009 with the planting of 2500 tube stock.

"We will commence a seed trial towards the end of 2009 and into early 2010, the next four stages will be implemented over the next five years.

"Monitoring points have been established throughout the zone to assess the health of the plants and the success of seed germination. Seeds have been collected from the local area wherever possible.

"Bird and bat boxes have also been installed

in the area to encourage wildlife to use the habitat," said Annemieke.

The next year will see the Glendell environmental team identifying priority areas in the zone to plant 4,000 trees and shrubs.

In the third year of the plan 8,000 trees and shrubs will be planted followed by a review of the extent of the natural regeneration across unplanted areas.

Annemieke added that the results of this review will then allow for a revision of the strategy for years four and five if required.

Frogs reclaim Mt Owen Mine

A range of frog species have moved back to ponds at Mt Owen Coal Mine after mine contractor Thiess rehabilitated large areas of the mine site.

Frog ecologist John Clulow from the University of Newcastle said a series of eight ponds at a rehabilitated overburden dump on the Xstrata-owned and Thiess-operated mine site make for ideal frog habitats.

"Seven of these ponds were rehabilitated as recently as 2005 and 2006, and are already home to green tree frogs and six other of the 15 frog species found at the Mt Owen Complex.

"The observation of green tree frogs in the rehabilitated area is a great achievement for the operation.

"Green tree frogs are quite uncommon at Mt Owen, so this suggests the rehabilitated areas may function as habitats for the species in the future," said John.

Thiess Mining Environmental Advisor for the Mt Owen Complex, Peter York said Thiess has progressively worked to rehabilitate the area since mining started at Mt Owen in 1995.

"Rehabilitation involves the backfilling of the pit with overburden to restore the landscape contours, soil from cleared native forest or pasture is then overlaid to restore the ecosystem.

"Many of the sites surveyed were rehabilitated

just three or four years ago, so the presence of frog populations shows these areas are progressing towards a sustainable ecosystem.

"The successful return of frog communities to the rehabilitated areas of Mt Owen is hoped to inspire other mines sites in the region to launch similar programs," said Peter.

Feral Animal Control

The Mt Owen Complex recently undertook a successful feral animal control program as part of their corporate responsibility and the need to maintain a sustainable land management program.

Senior Environment and Community Coordinator Ben Clibborn said Xstrata Coal has a responsibility to manage feral animal populations because of the impact they have on the local environment including the farming community and fauna.

"Wild dogs can also present a safety risk and with the final report indicating that 20 percent of the baits were taken by wild dogs, equating to 32 baits in total we can be confident the program has met our requirements.

"Using a variety of control methods, the program included 1080 Bait, used to target wild dogs and Pindone Poison, used to target rabbits.

There were a total of 41 bait stations prepared and the ground baiting method aligned with the New South Wales Department of Primary Industries Code of Practice Ground Baiting for Wild Dogs with 1080.

"Taking an integrated approach to feral animal control, we worked with Hunter Land Management, local mining companies and property owners to implement the program," said Ben.

If surrounding community members are interested in participating in our next program please contact Senior Environment and Community Coordinator Ben Clibborn or Environment and Community Coordinator Annemieke Grosser for more details.

Community Update

Camberwell Impact Study

Earlier in 2009 the New South Wales Department of Planning (DOP) announced they would commission a Cumulative Impact Study on Camberwell to better understand the current and future level of impact on Camberwell Village.

Representatives from DOP visited the site on two different occasions to look at operations and assess compliance with each approval. Consultants working on the project also requested a significant amount of environmental monitoring data for analysis.

The Mt Owen Complex is now awaiting the final report and any recommendations that can be used to improve the environmental impact of the operations.

Community members needed on the Mt Owen Complex Community Consultative Committee

The Mt Owen Complex operates a community consultative committee which includes representatives from Singleton Council, Glendell mine and members of the local community.

The purpose of the committee is to act as an advisory group for the mine to discuss relevant issues.

The committee meets three times per year at Glendell and discusses issues such as environmental monitoring data and performance, operational issues and the impact mining might be having on the community.

The group is seeking more community members, if you are interested please contact Brian Thomas at Singleton Council on (02) 6578 7290.

Family Day Success

The inaugural Glendell Mine Family Day has been hailed a success with the day now marked on the calendar as a bi-annual event.

Organiser Karlee Watling said the day was a great opportunity to boost employee morale and share our successes with family members.

"It was an excellent opportunity for employees and full time contractors to show off their work place.

"As Glendell is a new mine, families were able to see exactly how the mine has evolved and they now understand a little more about what their family members do when they come to work every day.

"It was also a way to say thank you to the families for their patience, support and

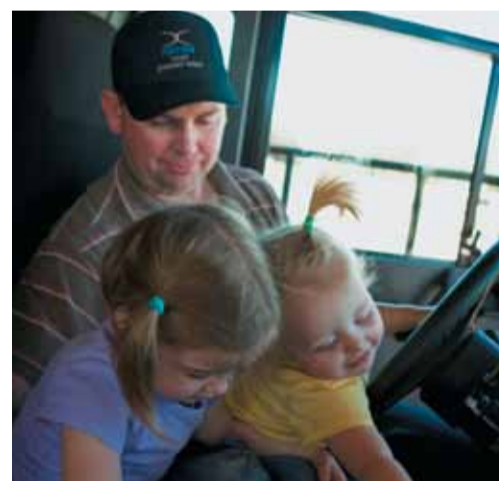
understanding over the construction and start up period," said Karlee.

Families were able to take advantage of two separate bus tours, one to the mine lookout and the other to the Ravensworth Homestead where participants could join a guided tour and listen to an explanation about the completed renovations undertaken by Xstrata Coal.

A section of the workshop and store was also barricaded to enable families to participate in an escorted walk through these areas.

Activities throughout the day included a barbecue lunch, talks about the Xstrata Coal Apprenticeship Scheme, Ethos Health on what to pack in a lunch box and a mine haul truck was isolated and parked up to allow families to have photos taken and be able to sit in the cab.

Karlee said the younger family members also enjoyed face painting, fairy floss making and a colouring-in competition.



Top left: Operator Tim Hoswell with daughters, Lucy on the left and Bella inside the haul truck. Bottom left: Senior Environment and Community Coordinator Ben Clibborn, left, explains the Ravensworth Homestead restoration work carried out by Xstrata Coal to local operator Jason Arkinstall. Jason mentioned to Ben that while growing up in the area he often visited the Marshall family at the homestead. Pictured above: Luke, son of Safety Coordinator Dean Dunn on the left, and his friend Emily excited to be part of the Family Day.

For further information contact:

Community complaints and enquiries hotline:
1800 730 883

Mt Owen Blasting Information Line
1800 248 745

24 Hour Emergency Contact Number
(02) 6570 0800

Ben Clibborn
Senior Environment & Community Coordinator
M 0422 930 418 E bclibborn@xstratacoal.com.au

Annemieke Grosser
Environment & Community Coordinator
T (02) 6520 2622 E agrosser@xstratacoal.com.au

Xstrata's commitment to Sustainable Development

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.