

MINE REPORT 2003

► General Manager's Report



During 2003, Callide Mine continued to be a strong performer overall despite falling below our production target. Our safety management program resulted in 50% fewer total recordable case injuries compared to the previous year. In 2004, we will seek to continue improving in the areas of safety and health.

We continued to engage proactively with the community of Biloela and surrounding areas. Vehicles such as the Callide Mine Community Liaison Forum (in conjunction with the Banana Shire Council), and less formal means such as our annual Neighbours' Day, allowed us to interact positively with our local stakeholders. In addition, we continued to support and encourage sustainable development within the local communities through membership on two local Boards. Our Human Resources Manager acts on the Board of Enterprise Biloela Association Inc., and our Technical Services Manager serves on the Board of the Silo, a local enterprise showcasing Primary Industry.

Callide Mine and CS Energy (the operators of the adjacent Callide Power Stations) have investigated the potential for transferring excess water from the mine to the power stations. It appears feasible that we could supply between 300 and 350 megalitres per annum to the power stations,

helping alleviate the strain on local water resources. Over the next 12 months, CS Energy plans to evaluate the usage of the mine water in various water circuits within the power stations. It is hoped that this initiative will eventually assist by reducing the demand on local water resources, something which will be valued by our community.

This is the second year that we have reported to our neighbours, stakeholders and other interested people on the site-specific plans, initiatives and outcomes underpinning our efforts to be a sustainable operation. This year, we have supplemented the summary information provided in this printed report with more detail on our operation on the Callide Mine webpage of the Anglo Coal Australia website www.anglocoal.com.au. These supplementary links are highlighted throughout the text. We welcome your feedback and suggestions on ways to improve our performance as a sustainable enterprise and to enhance the transparency of our reporting.



Mark Chambers
General Manager

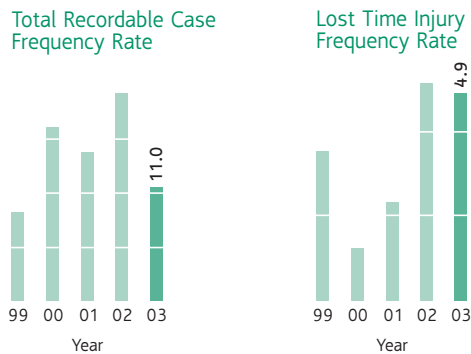


► Safety and Health

Nine recordable injuries occurred in 2003, four of which resulted in lost time. There were no fatalities and no safety related fines. The two most serious injuries, from separate incidents, included a fracture to the end joint of a finger and a fractured eye socket.

Our safety performance trend over the past few years is shown below.

Safety Performance (per million exposure hours)



We continue to develop a positive risk acknowledgment and management culture through our [Callide Safety Charter](#).

► Employment

Our employment figures have remained stable, with our staff turnover (1.7%) being lower than the industry average. In the coming years, our [human resource](#) functions will need to adapt to our relatively stable but ageing workforce. We also recognise that mining has traditionally been a male-oriented industry, and a Women's Reference Group has been initiated to provide better support and personal development opportunities for female employees. On a broader front, our [traineeship scheme](#) continued to provide opportunities for local community members to gain formal tertiary qualifications over a two-year employment period with the mine.



► Community and Stakeholders

During 2003, we participated in the following initiatives with our local stakeholders.

- Twelve bus tours, introducing 93 adults and 174 children to our operations;
- Four meetings of the [Community Liaison Forum](#);
- Our annual Neighbours' Day in November 2003;
- Management committee input to the Police Citizens' Youth Club;
- Support of the local Quota and Arts Society;
- Input to the Board of [The Silo](#);
- Board input to the [Enterprise Biloela Association Inc.](#); and
- Mock interviews, guest presentations and curriculum reviews at [schools in Biloela](#).

► Community Feedback

We received 14 complaints during 2003; 7 regarding dust from general mining activities and 7 relating to blasting (of which 4 were dust issues and 3 related to ground vibration and air blast).

We installed an additional dust deposition gauge and two more blast monitors to better understand the impacts at specific locations. A high volume dust sampler was also set up for 8 months at a property near the Dunn Creek mining area to determine the impacts of dragline operations at this location.

Our monitoring program identified a number of [air blast overpressure](#) exceedences during the year which did not result in complaints. Subsequently, we initiated an active response and submitted a draft Environmental Management Program to the Environmental Protection Agency in October.

► Community Donations

In 2003, we [donated](#) \$25,100 to community, arts, sports and educational support, with around half this amount allocated to community services and infrastructure.

Callide Mine provides in-kind support via Management Committee input to the Police Citizens' Youth Club, which provides the Biloela community with access to a wide range of recreational activities.

► Land

In 2003, we rehabilitated 16 hectares of disturbed land. The annual disturbance rate still exceeds the annual rehabilitation rate. Although we target all available areas for rehabilitation each year, the combination of deepening pits with larger volumes of spoil and the mine production rates and sequences sometimes limit areas available for final rehabilitation. It is forecast in the five year business plan that this effect will continue from 2002's high production rates, but will stabilise and permit a higher rate of rehabilitation.

In 2003, we expanded the network of rehabilitation monitoring sites to 17 and increased the number of reference sites to 4. Our rehabilitation objective is to achieve native ecosystems and wildlife corridors, including preserving and enhancing the condition of the endangered Semi-evergreen Vine Thicket regional ecosystem.

► Water

Groundwater inflow and surface runoff into our mining pits usually provides sufficient water for our operating requirements. In February and December 2003, several storms resulted in off-site discharges from Callide Mine. Throughout the year, the wettest since 1984, stormwater discharges occurred from sediment dams following larger rainfall events.

Concurrently, our raw water use dropped by over 40% to 662 megalitres. This significant reduction from year 2002 water use was due to:

- Reduced coal production relative to 2002;
- Truck-and-shovel fleet changing from 7-day to 5-day rosters, as well as a reduction in the number of shifts in rosters, resulting in lower haul road watering needs;
- A two week mine shutdown in September due to reduced sales;
- Wetter than average haul road conditions requiring less dust suppression; and
- Revisions to the methodology used in estimating water consumption.

In 2003, a [feasibility study](#) was conducted into the potential for the transfer of excess water from Callide Mine to the adjacent power stations operated by CS Energy. The proposal has been well received, in principle, by the local communities and the Environmental Protection Agency, as it will reduce the demands placed on water resources in this part of Queensland. The assessment will progress in 2004.

► Environmental Management

In 2003, a comprehensive SHEC risk register was developed for the site. System administration and operating procedures compatible with the Anglo Coal Australia SHEC Management System were developed and internal auditor training was undertaken. The Callide Mine [environmental awareness video and handbook](#) were revised and are now formal components of site employee and contractor inductions. These activities will progress in 2004 with the implementation of training packages to support adherence to the environmental aspects of the SHEC Management system. ISO 14001 certification is still targeted for late 2004.

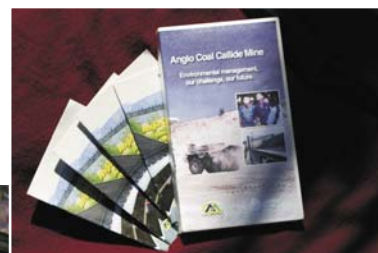
► Significant Environmental Incidents

Twelve Level 1, nine Level 2 and no Level 3 incidents were recorded in 2003.

The Level 2 incidents comprised 4 airblast overpressure exceedences from blasting at the Dunn Creek mining area, 1 water quality exceedence whilst discharging in February 2003, and 4 localised diesel spills with the potential for off-site impacts if they had not been immediately managed. In total, there were 7 reported diesel and oil spills with total volumes of 23,000 litres of diesel and 300 litres of oil.

► Biodiversity

During 2003, several regional botanical surveys were undertaken to determine the location and extent of [Semi-evergreen Vine Thicket](#) communities across the Callide Basin. Seventeen communities were identified, covering 183 hectares. Of these, 3 communities (covering 1.5 hectares) are currently in the proposed mining path of a future mining area known as The Bluff. The details of these have been the subject of a referral to Environment Australia under the Federal Environmental Protection and Biodiversity Conservation Act.



Brad Cartwright, Senior Environmental Adviser guides student, Tim Christensen, through the environment awareness induction program.

► Energy and Emissions

Although we used 30% less energy than in the previous year, our energy efficiency was marginally worse because of lower coal production. Similarly, our greenhouse emissions decreased by around 15% but the emission efficiency remained constant. Our emissions are reported in accordance with [National Pollutant Inventory](#) requirements.

Energy Use: 954,699 GJ

Energy Efficiency: 0.112 GJ/t saleable coal

Greenhouse Emissions: 138 kt CO₂-e

Greenhouse Efficiency: 0.016 t CO₂-e/t saleable coal

Methane: 803 t

SO₂: 359 t

NO_x: 540 t

Ozone Depleting Compounds: 0.022 t

► Waste

We recycle all scrap metal and waste hydrocarbons using approved recycling facilities. Our waste disposal and recycling activity during 2003 was:

Type of Waste	Disposed	Recycled
Hazardous waste	39.7 t	255.0 t
Non-hazardous waste	799.4 t	113.4 t

► Our 2003 Statistics at a Glance

- Saleable production: 8.52 million tonnes
- Land under company management: 10,244 hectares
- Land approved for mining activity: 3,764 hectares
- Land pending approvals for mining: 229 hectares
- Employees at 31 December 2003: 340
- Contractors at 31 December 2003: 80
- Trainees/apprentices during calendar year: 19
- Employee turnover rate: 1.7%
- Number of complaints: 14
- Community donations (cash): \$25,100

This SHEC report covers the period of 1 January to 31 December 2003.

Further details on the content of this report can be obtained by contacting Yvonne Little on 07 4990 1699.
(email: yvonne.little@anglocoal.com.au).

This report, its links to web-based supplementary material and an electronic feedback form can be viewed on www.anglocoal.com.au.

The Oaky Creek Diversion has been successfully rehabilitated after construction and continues to perform satisfactorily after its commissioning in 2002.

