

MINE REPORT 2003

► General Manager's Report



In 2003, management at German Creek Mine redefined its mission to be "Safe, Responsible, Successful". Our mission statement reflects our commitment to ensuring that German Creek Mine maintains a high standard of safety and environmental performance and responsibility in the community.

During 2003, our operations have increased in size, we have

implemented an environmental management system and we have further increased our focus on the rehabilitation of injured employees.

Representatives from both Anglo Coal Australia (ACAPL) and the Barada Barna Kabalbara Yetimarla people achieved a major milestone in the development and maintenance of our relationship with our traditional owners during 2003 with the signing of Anglo Coal Australia's Cultural Heritage Management Agreement.

Following the granting of a Mining Lease and environmental approvals, the Oak Park project began development in late 2003 with open cut production scheduled to commence early in 2004. The project was referred to the Department of Environment and Heritage and subsequently designated a controlled action due to the occurrence of listed threatened species and communities within the project area. Conditions regarding the management of the operation were set

to ensure sustainable management of remaining listed communities within the project area.

We achieved ISO 14001 certification for our Environmental Management System in October. In addition, our internal audit against the Minerals Industry Code for Environmental Management achieved a score of 58%, a 10% increase on our 2002 result. We are also working towards the certification of our Safety and Health Management System to the Australian Standard AS 4801 by the end of 2004.

During 2003, on-site physiotherapy for injured workers commenced on a weekly basis to make such services more accessible. Functional Capacity Evaluations have been completed for major work tasks. These are designed to ensure that employees' duties are tailored to their abilities, enabling them to return to work following an injury and ensuring medical professionals are aware of the demands of injured workers' roles. These initiatives are aimed to ensure recovery rates are maximised.

This is the second year that we have reported on our performance on the Safety, Health, Environment and Community aspects of our operation. This year you can access the detailed information behind the printed report on the German Creek Mine webpage of the Anglo Coal Australia website www.anglocoal.com.au. As always, I would value any feedback or suggestions you may have to improve our performance.



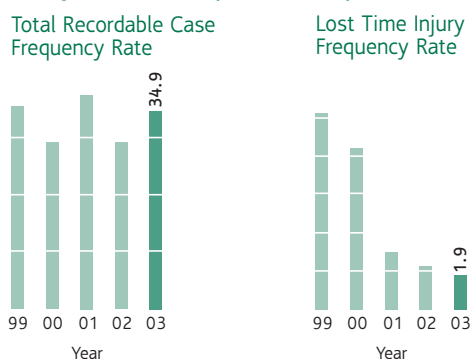
Andrew Wells
General Manager



► Safety and Health

There were no fatalities at the German Creek Mine in 2003, and no fines relating to safety issues. Our safety performance trend over the past few years is shown below.

Safety Performance (per million exposure hours)



Major projects undertaken by our subcontractors displayed excellent safety records, with 52,000 exposure hours on the Coal Handling & Preparation Plant (CHPP) and the Dragline Overhaul projects recording zero lost time injuries or medical treatment cases.

Our safety support systems are always being reviewed and 2003 has had increased focus on Safe Operating and Management System procedures.



Our injury rehabilitation program has benefited from new initiatives to more effectively manage injured workers. Our Safety Management System is being aligned to the Corporate SHEC Management System, which reflects AS 4801, and we aim to achieve certification during 2004.

► Community and Stakeholders

Consultation with each stakeholder group is undertaken individually and tailored to their specific needs. During 2003, we participated in the following initiatives with our stakeholders:

- Three community forums with representatives of the township of Middlemount;
- Two meetings with representatives of the local rural community at the mine site; and
- Signing of the Cultural Heritage Management Agreement in December 2003 between ACApl and the traditional owners (the Barada Barna Kabalbara Yetimarla people) of the area.

Each year we sponsor a group of students from the Australian Institute of Mining and Metallurgy undertaking the Australian Student Mineral Venture. In 2003, over 30 students currently completing Year 11 and 12 at high school spent two days on site learning about the operational mine environment.

During 2003, three of our employees were elected to represent Middlemount on the Broadsound Shire Council.

No complaints were received from our stakeholders during the year.

► Employment

Approximately 70% of the workforce at German Creek Mine is made up of miners/operators and tradepersons, with the remaining 30% holding administrative and support roles.

During 2003, we employed an average of 548 full-time personnel with an additional 9 fixed term workers. Of the 548 employees, 28 are female, working mostly in administrative and support positions. We also employ 20 apprentices and 6 trainees.

Training programs are delivered to all personnel on site and cover safety, environmental, cultural heritage and professional development training. During 2003 a total of 6,370 hours were dedicated to training personnel at our operations.



Bruce Crichton, CHPP Manager and Ted Fulton, CHPP Process Engineer, attended Cultural Heritage Management Training as part of German Creek Mine's Environmental Training Program. The training is delivered by representatives from the Traditional Owners of the area the Barada Barna Kabalbara Yetimarla people, Frank and Rebecca Budby.

► Community Donations

Over \$33,700 was donated to the local community in 2003. The donations supported scholarships, sport, education, arts and other community activities. In addition, we provided in-kind support such as employee time, equipment and facilities to assist with various community-based activities during the year.



In consultation with local businesses, Clean Up Australia and the Broadsound Shire Council, we also initiated a community-based program called “Bag Yourself a Better Environment” which has already had a positive impact by reducing plastic bag consumption by up to 50% in Middlesbrough.

► Land

In 2003, 65 hectares were rehabilitated in the mine area, with 2,538 hectares of land remaining disturbed. Our target for 2004 is to rehabilitate 51 hectares.

► Water

In 2003, we developed a strategy for improving water use which aligns with the mine's current [water management](#) practices. During 2003, our water use reduced marginally from the previous year to 3,606 megalitres. Of this amount, around 54% was harvested on site. Excess mine water is either retained on the site or transferred to a neighbouring mine for use in its operation.

Our water storage monitoring in 2003 identified a blue-green algal bloom. This was managed by dosing where appropriate and installation of filters to ensure the town and mine water supplies remained non-toxic. In addition, we sourced alternative water supplies for site raw water consumption. We increased the number of sites monitored, and the frequency of monitoring, to verify that control measures were successful.

► Environmental Management

Our Environmental Management System achieved ISO 14001 certification in October 2003. Initiatives throughout the year included:

- Conducting internal audits of all our operations;
- [Training all personnel in environmental management](#);
- Reviewing our management plans to ensure objectives and targets are being met; and
- Improved management of hydrocarbons.

The Minerals Industry Code for Environmental Management audit was conducted in 2003. We achieved a score of 58%; an increase of 10% on the 2002 result but still marginally under target. Over \$1.5 million was spent on this survey, certification and other environmental management activities during 2003 (excluding rehabilitation), and a further \$1.34 million was added to existing provisions for mine closure.

► Significant Environmental Incidents

During 2003, incident reporting training was conducted to improve the efficiency of personnel reporting environmental incidents. No Level 2 or 3 incidents were reported. There were 18 Level 1 incidents recorded; 7 of these were fuel spills resulting in a total loss of approximately 5,000 litres.

Other incidents related to small leaks of mine water, impact on local landholders from our exploration programs and the incorrect use of materials during abrasive blasting operations. Investigations carried out as a result of these incidents indicated that whilst procedures are in place for these activities, they were not followed appropriately.

Two incidents involving water monitoring occurred in December. One incident concerned the recording of low pH in the German Creek waterway. An investigation has been initiated to determine the source of the low pH. The second incident concerned operational failure of two water monitoring stations during a recent rainfall event. A technical report on the operational integrity of these stations is being produced.

► Biodiversity

Consultation with various stakeholders continues on the relative importance of the ecosystems on our land. Several biodiversity initiatives undertaken during 2003 included:

- Alignment of German Creek mapping of vegetation units with the state government's land resource assessment;
- Assisting the Queensland Department of Primary Industries with their research on functional capability of regional land units; and
- Fauna surveys, particularly:
 - Assessment of grazing lands;
 - Identifying areas of high habitat significance for reptiles; and
 - Bat surveys, including the study of the rare *Chalinolobus picatus* (Little Pied Bat).

► Energy and Emissions

In 2003, we used 18% less energy than in the previous year. This reduction is due to a decrease in diesel use because no pre-strip operation was undertaken in the Open Cut. All electricity used at the mine is purchased from the local power grid.

Energy Use: 864,639 GJ

Energy Efficiency: 0.159 GJ/t saleable coal

Greenhouse Emissions: 1,893 kt CO₂-e

Greenhouse Efficiency: 0.349 t CO₂-e/t saleable coal

Methane: 79,510 t

SO₂: 147 t

NO_x: 211 t

Ozone Depleting Compounds: 0.110 t

► Waste

All hazardous waste from the mine is sent to licensed facilities for treatment or disposal, while non-hazardous waste is disposed of in one of three licensed landfills at the mine site. Our waste disposal and recycling activity during 2003 was:

Type of Waste	Disposed	Recycled
Tailings	458,367 t	0 t
Hazardous waste	172.0 t	190.0 t
Non-hazardous waste	2,786.0 t	789.0 t

Hazardous waste includes waste oil. Non-hazardous waste includes paper, scrap steel and general waste sent to landfill.

► Our 2003 Statistics at a Glance

- Saleable production: 5.43 million tonnes
- Land under company management: 29,914 hectares
- Land approved for mining activity: 20,838 hectares
- Land pending approvals for mining: 0 hectares
- Employees at 31 December 2003: 548
- Contractors at 31 December 2003: 256
- Trainees/apprentices during calendar year: 26
- Average hours of training per employee: 12
- Employee turnover rate: 12%
- Number of complaints: 0
- Community donations (cash): \$33,700

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 Mary-Anne Murray on 07 4985 0226. (email: mary-anne.murray@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.

German Creek Mine remains committed to progressively rehabilitating disturbed land. Vegetation assessments of rehabilitated land indicate good ground cover and native tree and shrub growth on rehabilitated slopes, such as the 2-year old revegetated area shown below.

