



Moranbah North Coal

safety

health

environment

community

MINE REPORT 2003

► General Manager's Report



Moranbah North Mine supports the values of good corporate citizenship and sustainable development. Our compliance with legislative, regulatory and other requirements continues to be fundamental to our operating philosophy.

Moranbah North Mine continues to contribute to the economic and social well being of the local and surrounding community through

sponsorships, donations, small business development and providing development and employment opportunities for local youth.

Despite our continued development of Behavioural Based Safety processes during the year, lost time injuries and recordable cases did not reduce as we had expected. We have set lower targets for 2004 of 4.5 (per million exposure hours) for our Lost Time Injury Frequency rate and 23 (per million exposure hours) for our Total Recordable Case Frequency Rate.

In 2003, Moranbah North has continued to strive for best management practices. Significant projects have been undertaken to ensure the mine meets its environmental responsibilities, maintains its relationships with the community and ensures a safe working environment.

Isaac River Subsidence Stabilisation Works are ahead of schedule including the completion of 2004's planned pile driving. Negotiations with the traditional owners have progressed to the agreement stage with all parties having signed off in late 2003. Substantial investment is being made to more adequately manage our water resources with the construction of pipelines linking the mine's water reservoirs, and designs have been produced for the construction of a new 240 megalitre dam. All necessary licences and permits are being applied for and managed, with the mine being held in high regard by the regulatory bodies.

I look forward to a good year in 2004, with all of us continuing to strive for excellence and improvement. I hope this report will help inform you of our activities and performance. This year, the summary information in this report is expanded on the Moranbah North Mine webpage of the Anglo Coal Australia website www.anglocoal.com.au. The highlighted text indicates material that has been supplemented on our website. Should you have any comments or suggestions, I would welcome your input, to help ensure we do maintain our best management practices.

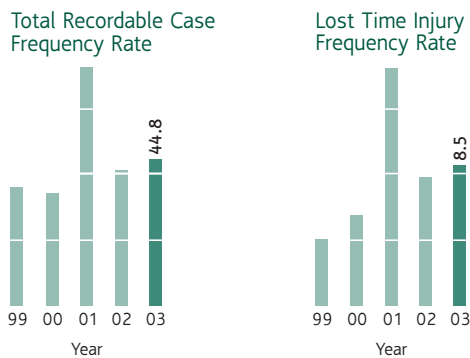
Barry Robinson
General Manager



► Safety and Health

There were no fatalities or safety related fines at the Moranbah North Mine in 2003. Our safety performance trend over the past few years is shown below.

Safety Performance (per million exposure hours)



Despite a more discerning use of contract labour, our 2003 safety performance did not improve appreciably from 2002.

The safety training observation program (STOP) was extended during 2003 to include senior managers and supervisors. This initiative is expected to underpin improvements in safety performance during 2004.



Moranbah North Mine's Rescue Team members conducting equipment checks prior to engaging in a simulated rescue exercise.



Moranbah North Award Recipients, from left: Lee Brunker (Trainee of the Year), Jason Pietzner (Most Consistent Trainee), Shane Apps (Outstanding Workplace Mentor) and Josh Earl (Most Improved Trainee).

► Employment

Staff development processes for our 250 personnel include the Leadership Development Program, Foundations for Frontline Leadership and a revised Performance Management system. In 2003, we engaged 4 trainees and 2 apprentices. Our Training and Development Co-ordinator and three of our trainees received awards from MRAEL, a non-profit, community-funded training organisation.

Over the 2003 Christmas Vacation period, we hosted 11 university students for a 12 week period.

► Community and Stakeholders

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

- Monthly management meetings with the BHP Mitsubishi Alliance and Belyando Shire Council on water consumption and water supply for the township (10% of town water supply is provided by Moranbah North through the Sunwater pipeline from Eungella Dam);
- A mailout of the Moranbah North Mine Environmental Awareness Handbook to 2,050 households in November 2003;
- Utilisation of a local cattle grazier for slashing of grass around buildings and baling of these grasses for rehabilitation efforts;
- Employment of local Traditional Owners' representatives and their archaeologist to assist in the identification of cultural heritage sites;
- Employment of local Traditional Owners' representatives to assist with the creation of the Cultural Heritage Management Plan maps;
- An excursion by Mirani State High School to Moranbah North in May to learn more about the mining operation and the initiatives in place to assist safety, health, environment and community;
- A tree planting exercise and excursion with Moranbah State High School at Moranbah North in December. The exercise involved the students assisting in planting one hectare of native trees;
- A service contract with a local group who assist the long-term unemployed and disadvantaged youth of Moranbah to refurbish the mine's victaulic manifolds;
- Releasing 300 hectares of rehabilitated subsidised land to the local grazier for re-stocking with cattle; and
- Extensive negotiations and Native Title Agreements for additional surface areas of ML 70108 with the Barada Barna Kabalbara Yetimarla (BBKY) People #4 and Wiri #2 claimant groups.

A Cultural Heritage Management Agreement has been developed with two local indigenous groups. Both the BBKY #4, and Wiri #2 have formally agreed to the plan, which came into effect in December.

► Community Feedback

There were no complaints made by neighbours or the community in 2003. Regular consultation and co-operation was maintained with the neighbours and associated traditional owners.

Our household mailout of the *Environmental Awareness Handbook* elicited positive responses from community groups, as well as requests for assistance with their endeavours. Moranbah State High School requested an additional 30 copies of the handbook to use as reference material.

► Community Donations

We distributed \$35,000 in donations and sponsorships to the local community. A further contribution of \$40,000 was made to Centacare – an organisation providing support, counselling and assistance to members of the Moranbah Community. In 2003, we also continued our annual sponsorship of the Moranbah North Coal Cup, the largest equestrian racing event in the Central Highlands area of Queensland.

► Land

During 2003, 74.6 hectares of land was disturbed by our operations, and we now have a total of 646 hectares of land remaining disturbed. Rehabilitation is being undertaken on 411 hectares, which is above our target for the year.

Moranbah North Mine manages its non-riverine subsidence by not clearing trees when undertaking rehabilitation works, as even dead standing trees provide some form of habitat.

Around 200 hectares of previously untreated land was treated for subsidence cracks, and all previously treated subsidence areas were maintained using topsoil ripping. Land above completed longwall panels 101 to 104 (approximately 300 hectares) was handed back to the local cattle grazier for pastoral use.

We contributed to land improvement practices by assisting in the development of a custom made excavator attachment to improve subsidence ripping and minimise disturbance.

Two hectares of the co-disposal emplacement was reshaped, and topsoil applied. Our topsoil reserves for the co-disposal emplacement have now been assessed for the life of the mine.



A 24-tonne excavator with the attachment that was developed specifically for Moranbah North Mine subsidence rehabilitation.

► Water

In 2003, we consumed less than our allocation of 850 megalitres from Eungella Dam, recording 803 megalitres. Around 12.5 km of water pipeline was installed to improve water handling and a new 240 megalitre evaporation dam was designed to further control our discharges. New pipeline installations included improved flow monitoring of discharges to the Isaac River and a greater capacity to transfer water within the mine's infrastructure.

A new water monitoring station was installed at the northern (upstream) lease boundary on the Isaac River.

No water was released off-site in 2003. All mine dewatering and gas drainage water was reused by the Coal Handling and Preparation Plant, which is also fed by recycled water from the co-disposal emplacement.

► Environmental Management

Our waste transfer station is now completed. Our scrap yard was cleaned up, resulting in a smaller scrap yard area, with the remainder of land to be rehabilitated. We are refurbishing victaulic pipe manifolds (assisted by long-term unemployed and disadvantaged youth in Moranbah) and steel drill rods as part of our recycling program.

In addition to the *Environmental Awareness Handbook*, we developed four environmental videos (water, waste, spill cleanup and general environmental management) which are shown as a part of employee and contractor inductions.

► Significant Environmental Incidents

There were no environmental incidents of any level (1, 2 or 3) during 2003.



Coal Handling and Preparation Plant, and coal stockpiles as viewed across the co-disposal emplacement rehabilitation.

► Biodiversity

There were no flora or fauna assessments conducted during 2003, but good seasonal rains late in the year will support our plans for a program in early 2004. This is the first step in producing our Biodiversity Action Plan, due for completion in 2004.

► Energy and Emissions

In 2003, our energy use did not change appreciably from the previous year, although our greenhouse emissions were reduced. Lower total greenhouse emissions resulted from a period of shutdown of gas drainage pumps in parts of the mine and subsequent reduction in methane drainage, and our emissions per tonne of coal reduced because of higher coal production than in 2002.

Energy Use: 361,339 GJ

Energy Efficiency: 0.101 GJ/t saleable coal

Greenhouse Emissions: 269 kt CO₂-e

Greenhouse Efficiency: 0.075 t CO₂-e/t saleable coal

Methane: 8,243 t

SO₂: 32 t

NO_x: 45 t

Ozone Depleting Compounds: 0.0 t

► Waste

Our waste disposal and recycling activity during 2003 was:

Type of Waste	Disposed	Recycled
Tailings (co-disposal)	1,124,269 t	0 t
Hazardous waste	6.7 t	1.5 t
Non-hazardous waste	425.3 t	114.3 t

► Our 2003 Statistics at a Glance

- Saleable production: 3.59 million tonnes
- Land under company management: 6,761 hectares
- Land approved for mining activity: 5,324 hectares
- Land pending approvals for mining: 61 hectares
- Employees at 31 December 2003: 250
- Contractors at 31 December 2003: 26
- Trainees/apprentices during calendar year: 6
- Average hours of training per employee: 72
- Number of complaints: 0
- Community donations (cash): \$75,000

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 Glenn McDonald on 07 4968 8633. (email: glenn.mcdonald@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.



Environmental Graduate, Tom Hayes, inspecting a section of the Isaac River subsidence stabilisation works after rain and associated river flows.