



DARTBROOK MINE REPORT 2005

ANGLO COAL AUSTRALIA

Message from the mine's General Manager

Dartbrook Mine had lower than planned production in 2005 as a result of geological issues, various equipment failures and delays due to heating of remnant coal in the goaf. However, the mine maintained its focus on safety and the environment and continued to foster its relationship with the community.

We continued our focus on proactive identification and personal management of safety risks in the workplace and on completing corrective and preventative actions arising from incidents, inspections and hazard reports. This resulted in an improvement in the Total Recordable Case Frequency Rate from 2004.

The site has also implemented a Safety Innovation Award to encourage employees to develop safety improvements or initiatives, and a Personal Safety Performance Recognition award rewarding individuals' safety performance.

Dartbrook's mines rescue team won first place in the Hunter Valley Mines Rescue Competition and also competed in the National Mines Rescue Competition. We were also a finalist in the 2005 Hunter-Central Rivers Coal Industry Environmental Awards for planting 75,000 trees on 75 hectares of Dartbrook owned land.

We have continued to develop proactive relationships with our people and the community.

'Dartbrook has continued its commitment to the environment with the instigation of a project for the protection of an area of River Red Gums and a River Rehabilitation Project. Both projects aim to restore, rehabilitate and protect sensitive areas.'

Key Statistics		
Parameter	Indicator	2005
Safety	Fatalities	0
	Lost time injury frequency rate	11.1
People	Occupational illnesses	7
	Average number of employees	240
	Average number of FTE contractors	116
Environmental	Water used for primary activities (ML)	103
	Water use efficiency (L/saleable tonne)	53
	Area remaining disturbed end 2005 (ha)	220
	Rehabilitated land end 2005 (ha)	696
	Incidents (Level 1)	7
Community	Complaints (Level 1)	18
	Complaints (Level 2)	1
	Community cash donations (AUD)	\$29,000
Climate	Energy Use (GJ)	302,338
	CO ₂ equivalent emissions (tonnes)	428,091
Economic	Saleable coal (tonnes)	1,929,668





Above: Brendon Eckman, fitter, working on an Elmco.

Due to considerable expansion of the coal mining industry in the Hunter Valley we have implemented a Mining Traineeship Program to recruit people without mining experience and train them in the operation of mining equipment. Our target is to employ two trainees a year; however in 2005 we exceeded this target by employing four. We have also implemented a completion incentive scheme to encourage apprentices to complete additional post trade training and to achieve above average results in their trade training.

During 2005, Dartbrook continued to sponsor local community and sporting groups and schools. Donations to these organisations were approximately \$29,000 and in-kind support is estimated as \$25,000.

This report and Anglo Coal Australia's 2005 Report to Society (available at www.anglocoal.com.au) provide a summary of the way this site and the business manage their responsibilities. We welcome your feedback on any aspect of our performance and reporting.

Tim Hobson - General Manager

About the Mine

Dartbrook is an underground longwall coal mine located between the towns of Muswellbrook and Aberdeen, and adjacent to the village of Kayuga, in the Upper Hunter Valley of NSW. In 2005, the mine produced 1.93 million tonnes of coal for international power generation.

Safety

Dartbrook has an Occupational Health, Safety and Environment Committee, where members from each of the site's operational areas meet monthly to discuss workforce safety concerns as well as to review and implement policies and procedures affecting the site. The major safety and health related hazards on the site include noise exposure, dust, people and vehicle interactions and falls of ground. Risks associated with these hazards are assessed and recorded within the sites risk register. Programs in place to address risks include the preparation of principal hazard management plans, monitoring of noise and dust and an audit protocol for scheduled inspections.

Unfortunately the Lost Time Injury Frequency Rate of 11 for 2005 did not meet the site target and was above the 2004 result of 7. Of the 9 Lost Time Injuries (LTI) that Dartbrook recorded in 2005, 67% resulted in 4 or less lost days. There were no permanent disabling injuries, safety related fines or breaches recorded in 2005.

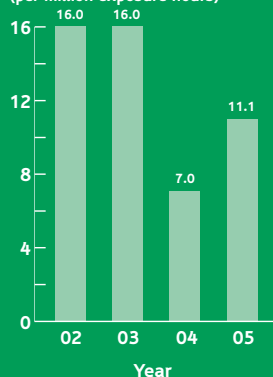
Throughout 2005, Dartbrook continued to implement and evolve the Zero Incident Program (ZIP) for safety behaviour on site, an initiative integral to the safety of all employees, contractors and visitors. ZIP looks at giving people greater control over their safety by understanding how their mind works and how, through the use of cognitive tools and thinking patterns, personal safety can be achieved. An internal survey highlighted that 60 % of employees are using ZIP learnings both in the workplace and at home.

We also continued our focus on proactive identification and management of risks within the workplace and completing corrective and preventative actions arising from incidents, inspections and hazard reports.

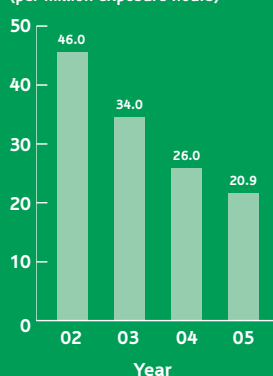
Other safety initiatives continuing throughout 2005 included the:

- ▶ People, Performance and Growth Program (PPG), a business improvement program implemented across Anglo Coal Australia;
- ▶ Safety Innovation Award where employees are awarded \$1,000 for a safety improvement or initiative that can be implemented across Dartbrook. Employees have recognized this program as a positive commitment by Dartbrook management towards safety in the workplace. The Safety Innovation award is actively supported by the Site OHS&E Committee;
- ▶ Personal Safety Performance Recognition Award that rewards individual safety performance; and
- ▶ Crew Safety awards for 12 months free of recordable injuries across a work crew.

LTIFR Safety Performance
(per million exposure hours)



TRCFR Safety Performance
(per million exposure hours)



Safety Performance

PER MILLION EXPOSURE HOURS

	2005 Target	2005 Actual	2006 Target
Lost Time Injury Frequency Rate	4.9	11.1	6
Total Recordable Case Frequency Rate	20.6	20.9	20.5

The Total Recordable Case Frequency Rate for 2005 was 20.9. This was a considerable improvement over the 2004 result of 26, although it was marginally above the target set for 2005.



Laurie Dougan, boilermaker, welding at the preparation plant.



Hayden Sharpe, Sol Campbell and Greg Weise attending a pre-shift meeting.

Key Human Resources Data

	2004	2005
Number of employees	247	240
Number of contractors	120	116
Number of trainees	1	5
Number of apprentices	4	4
Graduate development program	6	7
Employee turnover %	4.0	18



During 2005, Dartbrook's Safety Health Environment and Community Management System maintained certification to AS 4801 through 6 monthly surveillance audits. No major non-conformances were identified from the audit and defined actions that have been raised, are being addressed. No permanent disabling injuries or safety related fines or prosecutions occurred at Dartbrook during the year.

Dartbrook's commitment to site safety and emergency response training bore fruit when the mines rescue team came first in the Hunter Valley Mines Rescue Competition and achieved a very commendable fifth place in the National Competition.

People

In 2005, Dartbrook employed an average of 240 employees and 116 contractors. Approximately 65% of the workforce lives in the local communities of Muswellbrook, Scone, Aberdeen and Singleton. The coal mining expansion in the Hunter Valley has meant the site currently has an employee turnover rate of approximately 18%. A plan will be implemented to reduce the turnover rate in 2006..

Dartbrook has conducted extensive health screening of its employees including measuring Body Mass Index and blood pressure and assessing smoking status. While the results were generally favorable, Dartbrook will be looking at introducing some health and wellbeing initiatives for employees in 2006.

Key training initiatives conducted in 2005 included the Foundations of Frontline Leadership development and Behavioural Safety program for all management and frontline supervisors, and the Management Development program for managers. Dartbrook has developed a Mining Traineeship Program to recruit people who have not previously worked in the mining industry and train them in the operation of mining equipment over a one or two year period. The site has committed to recruiting two trainees per year. In 2005 four trainees were recruited.

Environment

The Dartbrook environmental management system is certified to ISO 14001. A re-certification audit in 2005 did not identify any major non-conformances. Dartbrook is in the process of updating the environmental management system to comply with recent changes to the standard.

Environmental Incidents

	2005
Level 1	7
Level 2	0
Level 3	0



Fitter, Hayden Sharpe, preparing to service a vehicle.

Types of Waste

	2004 Disposed	2004 Recycled	2005 Disposed	2005 Recycled
Hazardous Waste (t)	47.2	4	83	5
Non-hazardous waste (t)	551	120	515	468

The site recorded seven level one environmental incidents in 2005. These were mainly related to small spills of oil or water in the mine site area. The mine did not attract any fines or prosecutions or record any environmental non-compliances.

Rehabilitation and Land Management >

Land undermined by longwall mining has negligible impacts from subsidence and does not require active rehabilitation. The site had a target to rehabilitate 10 ha during 2005, but this area was not available due to lower than planned coal production. In 2006, 22 ha of the Reject Emplacement Area is planned to be rehabilitated.

In 2005, a Rehabilitation Strategy was prepared for the long-term decommissioning of the site evaporation ponds and submitted to the Department of Primary Industries - Mineral Resources for review.

Biodiversity > The major biodiversity focus in 2005 was the development of three projects:

- ▶ The River Red Gum Biodiversity Area;
- ▶ The Hunter River and Dart Brook Rehabilitation Project; and
- ▶ The Forestry Project.

In 2006 the site will further develop a Biodiversity Action Plan in accordance with Anglo American requirements.

The River Red Gum project involved fencing an area of approximately 11 hectares, which contains approximately four hectares of Red Gum community, on Dartbrook owned land. To restore and enhance the currently stressed River Red Gum Community, Dartbrook will artificially reinstate the flooding regime and plant additional vegetation.

The River Rehabilitation Project is a five-year work program to restore and rehabilitate a 6.5 km stretch of the Hunter River and Dart Brook (totaling 13 kms) that lies outside the Dartbrook Mine area and will not be impacted by Dartbrook operations.

The establishment of a Forests-NSW administered tree plantation on 75 hectares of Dartbrook owned land commenced in 2004, as part of a regional plan to create a sustainable forestry resource in the Upper Hunter Valley. Final planting of the area was completed in 2005, with over 75,000 trees planted. Pleasingly, this project was a finalist in the Hunter-Central Rivers Coal Industry Environmental Awards.

Water > Dartbrook used 102.5 ML of water in the production of coal primarily for dust suppression and coal processing. The Dartbrook water use efficiency target for 2005 was 193 L/tonne of saleable coal; actual usage was 53 L/tonne saleable coal. The 2006 target is 80 L/tonne saleable coal.

The water balance model is currently being upgraded to review the site's water management requirements. Water meters will be installed on groundwater bores during 2006 to improve the accuracy of water use monitoring.

Other Emissions > Dartbrook is required to report to the National Pollutant Inventory, Australia's national database of pollutant emissions. Data can be found on the NPI database (<http://www.npi.gov.au/>).

Waste > Dartbrook's focus in 2005 has been to reduce waste to landfill and expand the types of materials recycled. Of the total non-mineral waste generated on site, 44% was recycled (the majority being scrap metal).

Noise/overpressure & vibration > Noise generated during movement of equipment within surface operations at the Dartbrook mine resulted in complaints from three nearby residences. Subsequent monitoring found that noise levels at one residence exceeded licence limits. This residence has now been included in the noise management zone, and Dartbrook will actively implement additional control measures to reduce noise at this residence.

Fiona Yench, Senior Environmental Coordinator, inspecting Woodlot Plantation Project (below) and taking a sample from the PM₁₀ air quality monitor (bottom).





Community

Dartbrook's focus on community in 2005 was to develop and implement a plan for engaging with the local and broader community. Dartbrook's key community stakeholders are:

- ▶ Employees;
- ▶ Local land and lease holders;
- ▶ Contractors and suppliers;
- ▶ The local towns of Muswellbrook, Scone and Aberdeen; and
- ▶ Customers, regulators, councils and traditional owners.

In 2005 Dartbrook continued its community consultation program. This included:

- ▶ Five meetings of the Community Consultative Committee where the environmental and operational performance of the mine were discussed;
- ▶ One community open day for mine employees and friends. The mine's near neighbours were also invited to participate in the day;
- ▶ Involvement in the 'Working in Partnerships' program facilitated by the Department of Industry, Tourism and Resources. The program aims to develop a Strategy for Aboriginal Community Engagement with the Mining Industry in the Upper Hunter Valley;
- ▶ Sponsorship of the Aberdeen Whisper, the local newspaper for Aberdeen, that includes a monthly article on Dartbrook;
- ▶ Participation in a two day Mining Expo at the Muswellbrook Show;

- ▶ Participation in the Mine General Managers' Forum facilitated by the Muswellbrook Shire Council; and

- ▶ School and University tours of the mine.

Dartbrook was involved in an Australian Coal Association Research Program (ACARP) project to develop a framework for assessing and measuring the cumulative economic, environmental and social impacts of coal mining in mining regions. The Muswellbrook Shire was used as a case study to test the methodology and assess the cumulative impacts of mines located in the Muswellbrook area. The project will be complete in 2006.

Dartbrook used the Anglo American Socio Economic Assessment Tool (SEAT) to prepare a Community Engagement Plan (CEP) documenting the processes used to engage with the community. The Community Engagement Plan includes Key Performance Indicators to enable the mine to measure the effectiveness of its engagement programs. The majority of the 19 complaints received were related to general dust and traffic amenity. All complaints were investigated and the complainant informed about the actions taken to resolve the issue.

Complaints by Type

	Number
General dust	7
Noise	2
Traffic amenity	7
Other	3
Total	19

Above: Ron Connelly, consultant, Fiona Yench, Senior Environmental Coordinator, and Scott Wheatley, local landholder, discussing land management issues.

Below: Central pivot irrigator on land used for dairy farming at Dartbrook.



Eighteen level one complaints were received during 2005, a 69% reduction compared to 2004. The majority of the complaints related to dust and traffic. All complaints received are investigated and the complainant informed about the actions taken to resolve the issue. One level two complaint was received from the Department of Environment and Conservation (DEC) regarding dust generated from the site evaporation ponds. A Rehabilitation Strategy for the long-term decommissioning of the ponds was prepared.

During 2005, Dartbrook donated approximately \$29,000 to sponsor local schools, community and sporting groups while in-kind support was estimated to be valued at \$25,000.

Climate

Anglo Coal Australia is a member of the Greenhouse Challenge Plus initiative and annually reports greenhouse gas emissions and minimisation initiatives. There were significant reductions in greenhouse gas emissions at Dartbrook in 2005 compared to the previous two years due to mining of coal in a less gassy seam. However, the energy efficiency per tonne of saleable coal declined due to lower than planned coal production. An energy savings action plan is to be developed in 2006 to identify actions that the site can implement to reduce energy consumption.

In 2005, Dartbrook established equipment on site to trial the flaring of methane in the gas drained from the mine goaf. Due to the quality of the gas being emitted from underground operations throughout 2005, the trial could not be undertaken. The trial is proposed for 2006 and if this proves to be feasible, a larger scale flaring facility will be established.

	2003	2004	2005
Energy Use (GJ)	303,405	312,665	302,338
Energy efficiency (GJ/t saleable coal)	0.097	0.107	0.157
Greenhouse gas emissions (kt CO ₂ -e)	788	559	428
Greenhouse gas efficiency (CO ₂ -e/t saleable coal)	0.251	0.191	0.222
Methane (tonnes)	20,278	15,535	12,453



Above: Infrastructure for the methane flaring trial.



This Sustainability Report covers the period of 1 January to 31 December 2005. Further details on the content of this report can be obtained by contacting Rob Sherwood (Safety Manager) or Fiona Yench (Senior Environmental Coordinator on (02) 65408 888. This report and an electronic feedback form can be viewed on <http://www.anglocoal.com.au>. There are also links to supplementary material available on this website.