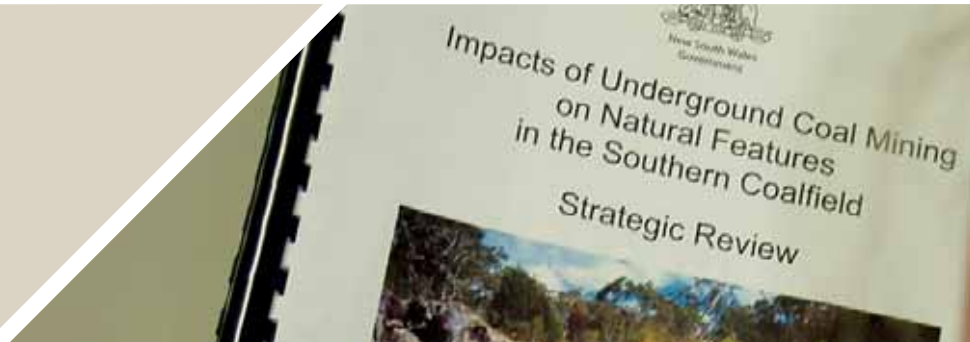


ILLAWARRA COAL COALITION NEWS

The community newsletter
of Illawarra Coal, BHP Billiton



Above: Illawarra Coal has welcomed the Southern Coalfields Report and is looking forward to examining the Report in detail and addressing any areas of concern.

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Coalition welcome

Welcome to the eleventh edition of Illawarra Coal's Coalition News. Inside you will find current information on the Company's mining activities in the region in which you live.

In response to results from the Illawarra Coal Community Attitudes Survey conducted in mid-2007, Illawarra Coal has committed to bringing you more regular information about the Company's activities. Coalition News will now be produced on a quarterly basis.

If you have any questions about our operations or mining activities, please don't hesitate to contact us directly via our **Community Call Line 1800 102 210** or drop into our community office located in the main street of Appin. It's open from 9.30am to 2pm Tuesdays and noon to 4pm Thursdays.



ILLAWARRA COAL WELCOMES SOUTHERN COALFIELDS REPORT

The Southern Coalfields Report was released in July, following the review by a panel of experts which examined the social and economic significance of coal mining in the region and the impacts of underground mining on significant natural features.

Illawarra Coal has welcomed the Report and strongly supported the enquiry which was co-ordinated by the NSW Department of Planning and Department of Primary Industries.

The Company made a presentation to the expert panel during the public hearings section of the enquiry, and submitted an extensive written report on Illawarra Coal's comprehensive approach to mine planning and our success in mitigation, management and rehabilitation of those impacts.

General Manager Sustainable Development and External Affairs John Brannon said Illawarra Coal believes the findings by the panel highlight and reinforce the Company's already rigorous and sustainable approach to mine planning.

"Illawarra Coal is committed to environmentally sustainable mining and we acknowledge, as does the Report, that mining has impacts, and what is important is getting the balance right between these impacts and economic benefits," John said.

"The Report further supports what Illawarra Coal has said for some time – that our operations have no impact to Sydney's valuable water supply, or headwater swamps.

"We look forward to examining the Report in detail, and working with Government to address any areas of concern to ensure that a balanced approach to mining occurs which supports the economies and communities in which we operate."

The Report also recognised the valuable social and economic contribution made by the coal industry throughout NSW.

Illawarra Coal has been operating in the southern coalfields for close to 80 years and provides direct employment benefits for 1000 people and their families, and flow-on employment benefits for almost another 5000 people.

In the Wollondilly and Illawarra areas, the economic contribution of Illawarra Coal accounts for about 4.4 per cent of the Gross Regional Product for these regions, which represents \$520 million in Gross Regional Product and \$278 million in household income.

ISSUE 11
August

08

WORLD-FIRST ATTRACTS INTERNATIONAL ACCOLADE

02



Above: US EPA Administrator Stephen Johnson, interviewed by WIN Television, visited Illawarra Coal's WestVAMP recently.

Illawarra Coal's WestVAMP power plant has continued to receive international recognition and praise, with the U.S. Environmental Protection Agency (EPA) Administrator, Stephen Johnson visiting the project recently.

The \$30 million project, which was officially opened in September 2007, is currently the world's only official proven and commercially viable technology to abate methane emissions from mine ventilation air.

Administrator Johnson, who is U.S. President George W. Bush's most senior environmental advisor, and a team from the U.S. EPA were provided with an information session about the operation of the WestVAMP technology and its environmental capabilities, as well as a tour around and inside the plant.

Following the Administrator's visit, the U.S. EPA presented its Climate Protection Award to Illawarra Coal's Technology Provider - MEGTEC Systems AB, in recognition of the firm's world-first technology in action at WestVAMP. Recipients for the award are selected by the U.S. EPA from finalists chosen by an international advisory panel of judges representing government, industry and non-governmental organisations.

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BHP Billiton is all about smart technology, innovation and great talent. If you want a challenging career and a chance to explore resource opportunities as well as your ambitions, we're the company for you. Think Ahead. Think BHP Billiton.

Illawarra Coal is a leading coking coal supplier with over 1000 employees, three underground mines, two processing plants and a logistics chain. Illawarra Coal offers rewarding careers combined with an unrivalled beachside lifestyle.

MECHANICAL & ELECTRICAL POSITIONS

ILLAWARRA COAL

Illawarra Coal and Illawarra Group Training (IGT) are proud to offer a limited number of quality apprenticeships in Mechanical and Electrical trades. You will be employed by IGT and hosted by Illawarra Coal where you will work closely with some of our talented employees and mentors. You will experience excellent working conditions that focus on safety, quality and teamwork and participate in industry-leading training that will help put you at the top of your vocation.

As part of the Illawarra Coal Apprenticeship Program, you will be based at one of our three mine sites – Appin, Dendrobium or West Cliff. You will train intensively full-time off-site for the first six months of your apprenticeship with the remainder of your programme having a mixture of on-site, off-site and TAFE training.

To apply, please enter Ref No: HIG476081 at our website below. Applications close Sunday, 31 August 2008.

BHP Billiton has an overriding commitment to safety and environmental responsibility.



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ILLAWARRA COAL APPLIES FOR EXPLORATION LICENCE

03



Illawarra Coal has recently lodged an Exploration Licence Application (ELA3474) with the NSW Department of Primary Industries. The proposed licence covers an area of approximately five square kilometres, which is located about four kilometres north of Appin, in the vicinity of the Wedderburn area.

The purpose of the proposed licence is to investigate and determine more information regarding the geological features of the coal seams deep below the earth's surface. This activity is part of exploration process which takes some time, and aims to assess the size and quality of a coal deposit and to determine if it can be economically recovered. Actual

extraction of the coal does not necessarily follow exploration activity. Uneconomic coal deposits or major breaks in the seam may be discovered which could prohibit future mining in the area. If the company decides to pursue extraction of coal from the reserve, then it must make application for a mining lease.

While a range of exploration techniques can be applied over a period of time, the first proposed to be conducted in the Wedderburn area, pending the granting of the Exploration Licence and consultation with key stakeholders is a seismic survey.

The method of seismic transmission will be via surface vibration using a truck mounted



Left: Illawarra Coal has applied for an Exploration Licence in the vicinity of the Wedderburn area.

Above: Truck-mounted vibroseis equipment will be used in exploration activities in the Wedderburn area if approval of ELA3474 is granted.

machine referred to as a "Vibroseis" machine, which will travel along roadways during daylight hours.

The vibroseis equipment uses a truck mounted vibration source to look deep beneath the ground to identify the location and orientation of the coal seam and any associated fault lines. A plate is lowered from the truck onto the ground; a gentle vibration is generated and then measured by sensors which have been previously placed along the road.

This technique is faster, less invasive and more environmentally sensitive than traditional seismic techniques, which relied on the analysis of vibrations caused by small, controlled underground detonations.

Tests have been completed by noise and vibration consultants to ensure the outputs from the Vibroseis equipment comply with relevant health, safety and environmental standards.

Illawarra Coal undertakes a rigorous evaluation of the proposed exploration activities and detailed procedures are developed and enforced to ensure the safety and wellbeing of the community, employees and contractors.

Consultation will be undertaken prior to any activities and further information regarding this application can be obtained from Illawarra Coal Geological Services Manager Mike Armstrong (02) 4224 6252 or Illawarra Coal Operations Manager Exploration Peter Riley (02) 4224 6365.

APPIN AREA 7 SMP SUBMITTED

04

ILLAWARRA COAL COALITION NEWSLETTER AUG08



Above: A Subsidence Management Plan has been submitted seeking approval for Longwalls 705 to 710 (Appin Mine).

MAP LEGEND:



Approved mining area and past workings



Proposed mining area, Appin Longwalls 705 to 710

Illawarra Coal has submitted a Subsidence Management Plan (SMP) to the NSW Department of Primary Industries seeking approval for further longwalls at its Appin Mine.

Approval is sought for six longwalls (705-710), which are a continuation of the approved SMP for Longwalls 701 to 704. The additional longwalls are located 3km north-east of Douglas Park and will be serviced by existing mine surface infrastructure.

The SMP describes a detailed and ongoing program of subsidence monitoring and management and provides a clear statement of Illawarra Coal's objectives in protecting important natural and man-made features in the area. The mine layout is designed to minimise impacts to the surface environment

and its features while maximising the volume of coal produced.

Submission of the SMP follows consultation with landowners, key stakeholders, and completion of specialist studies, including water quality, aquatic ecology, flora and fauna and cultural heritage subsidence impact assessments.

Like the first series of longwalls in Appin Area 7 (701-704), this application does not include longwall mining directly beneath the Nepean River.

The continued success of Appin Mine is critical to the future of Illawarra Coal and to ensuring continued direct employment for up to 400 people and economic flow-on benefits to the Wollondilly and Illawarra regions.

The public display period for the Longwall 705 to 710 Subsidence Management Plan is from 1 August to 1 September. Copies of the SMP can be viewed at the Illawarra Coal Appin Community Office (Appin Rd, Appin) during opening hours (Tues 9.30am to 2pm and Thurs 12 noon to 4pm), Wollondilly Council foyer, 62-64 Menangle Street, Picton and at the Illawarra Coal Community Information Day being held at Douglas Park Community Hall on Saturday 16 August. Alternatively the SMP can be downloaded from www.bhpbilliton.com/illawarracoal/applications

Comments on the SMP for Longwalls 705 to 710 are invited from the public. For further information please contact Bruce Blunden, Bruce.Blunden@BHPBilliton.com, phone (02) 4255 3312, fax (02) 4255 3204.

APPIN AREA COMMUNITY WORKING GROUP (AACWG) UPDATE

05



Above: Members of the AACWG with Illawarra Coal representatives inspect the West Cliff Emplacement Stage 2.

THE AACWG HAS CONTINUED ITS FOCUS ON THE ENVIRONMENTAL MANAGEMENT OF ILLAWARRA COAL'S WEST CLIFF OPERATION, PARTICULARLY WATER QUALITY ENTERING THE GEORGES RIVER DURING 2008.

Following a detailed presentation in November 2007 on the planned upgrade for water management on the site, the Group has conducted two site visits in 2008.

The first, in March, was specifically to look at West Cliff's Brennans Creek Dam and its outlet to the Georges River. During the visit, the Group was provided with extensive information on the flow rate and release of water from the Dam, as well as water quality data from the Dam discharge and other locations at West Cliff Mine.

In mid-July the Group returned to West Cliff and undertook a more detailed examination of the water management system across the site. Members were shown Ponds 1, 2, 3, 4, Brennans Creek Dam and the outlet into the Georges River.

At Pond 4 the newly-installed Remote Dosing Plant was reviewed. Since its installation in 2007, there have been significant improvements in discharge water quality. The system decreases turbidity or suspended solids by around 50 per cent, including times of big rainfall events where high volumes of water pass through the system. At the outlet into the Georges River, Group members were able to observe the water quality, as well as

take photographs and video footage. During both inspections, members of the Group observed clear water being discharged from the Brennans Creek Dam to Brennans Creek and then into the Georges River.

The Group returned to the Emplacement Stages 1 and 2 at the southern end of the site to discuss and review the rehabilitation of the coal wash emplacement back to native bushland.

Future activities for the AACWG include reviewing mine plans for Appin Longwalls 705-710, a tour of the Appin Mine and a review of the recommendations from the Southern Coalfields Enquiry and recent changes to the NSW Mining Act.

For more information see:

www.bhpbilliton.com/illawarracoal/aacwg

Or contact:

- Zina Ainsworth, Community Relationships Coordinator on (02) 4255 3319 or Zina.M.Ainsworth@BHPBilliton.com
- The Illawarra Coal Community Call Line: **1800 102 210**
- Rebecca Gordon, AACWG facilitator on (02) 9559 5352 or rebeccagordon@turnstoneprojects.com



BHP Billiton brings Bell Shakespeare to Camden High School

Camden High School students saw Shakespeare brought to life in the 21st Century, when the well renowned Bell Shakespeare Company recently visited the school, courtesy of BHP Billiton.

The theatre company's 'Actors at Work' program performed two shows at the school in June for Year 8 and Year 10 students free of charge. The performances featured scenes from some of Shakespeare's most famous plays, including Romeo and Juliet, A Midsummer Night's Dream, and Macbeth.

The 'Actors at Work' ensemble is a project run by the Bell Shakespeare Company that helps to introduce the works of Shakespeare and make the language and themes of the play more accessible for students studying the famous playwright.

Bell Shakespeare's 'Actors at Work' program tours across all Australian states and territories, and will reach almost 80,000 students in 2008.

Left: Camden High School students with the 'Actors at Work' ensemble after their performance of 'Love's Magic'.

LOCAL STUDENTS WIN BURSARIES

06

ILLAWARRA COAL COALITION NEWSLETTER AUG08

Illawarra Coal would like to congratulate two local student recipients of the 2008 Minerals Education Bursary Scheme (MEBS) – Peter Ellis from Rosemeadow, who attends Ambarvale High School, Rosemeadow and Lachlan McInnes of Camden who attends St Gregory's College, Campbelltown.

Both Year 12 students successfully applied to be a part of the 2008 Scheme, which is the first year that Illawarra Coal has sponsored the program in conjunction with the NSW Minerals Council (and other mining companies). The program aims to help support and encourage local students who have an interest in the minerals industry and proven personal and academic capabilities including interests in mathematics, physics, chemistry and geography, and attending extra-curricular minerals-related opportunities, such as the UNSW Mining Engineering Summer School.

Both Peter and Lachlan are keen to pursue careers in the minerals industry, including mining and electrical engineering, and it is hoped that the bursary scheme will continue to encourage these students to follow this interest.

Peter and Lachlan will receive \$1000 sponsored by Illawarra Coal, in conjunction with the NSW Minerals Council to assist them in their study pursuits.



Above: Year 11 and 12 students pictured from left; Peter Ellis, Lachlan McInnes, Matthew Crisafi, Patrick Meaney and Romeo Harb have received Minerals Education Bursaries sponsored by Illawarra Coal.

As part of the program, the students will attend two MEBS activities conducted by the NSW Minerals Council over the next year. These events may include open days at mine sites or universities, career expos organised or conducted by the minerals industry, mentoring programs and minerals careers dinners.

They will also be eligible for a \$2,000 undergraduate bursary if they complete the first year of a minerals-related undergraduate degree within 12 months of completing their Higher School Certificate.

The students will also have access to a mentor from Illawarra Coal, who will provide long-term contact within the industry for the students, and offer career advice, study assistance and access to work experience and other mine site activities and resources.

Further information about the program can be found at <http://www.nswmin.com.au/education/careers>

ILLAWARRACOAL

Pride, passion, performance

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