

Oceanic News

Oceanic Coal
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West Wallsend Continued Operations Project

Approval for West Wallsend Colliery was first granted in 1969 by LMCC and the Colliery has been operating since 1971. Sufficient reserves are available within the existing mining leases to enable the continuation of underground mining operations until 2020.

Underground mining is currently undertaken in Consolidated Coal Leases (CCL) 725 and 718 and Mining Lease (ML) 1451. Future underground mining in an area referred to as the Western and Southern Domains will occur predominantly within CCL 718, with small portions of underground mining within CCL 725 and ML 1451.

A Subsidence Management Plan (SMP) has been approved by key agencies for underground mining

within CCL 725, CCL 718 and ML 1451. This has included extensive environmental assessments and consultation with relevant stakeholders.

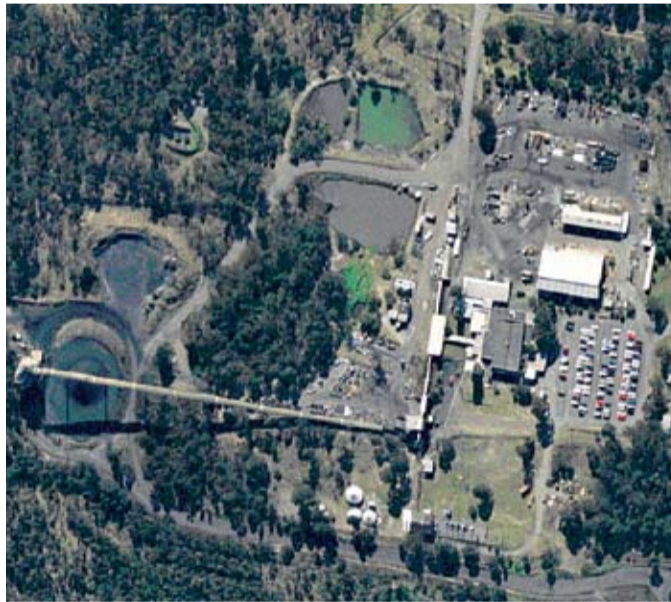
The current development approval for underground mining within two minor portions of the existing CCL 725 and ML 1451 mining leases will expire in August 2010. Therefore a new development approval is required for continued underground operations at West Wallsend Colliery within these portions of the mining leases CCL 725 and ML 1451.

As a component of the new approval application, a detailed Environmental Assessment will be prepared for the project. Key issues that will be considered in the assessment include flora and fauna, water management, European and Aboriginal cultural heritage, air quality, noise, subsidence impacts, greenhouse and energy and socio-economic impacts.

Further mine planning is being undertaken in conjunction with environmental studies to ensure that impacts are minimised and best practice management measures will continue to be implemented.



West Wallsend Colliery employees on their way to start a new shift.



West Wallsend Colliery.

New Operations Manager

In January 2009 Bernie McKinnon replaced David Carey as the West Wallsend Operations Manager. Bernie previously worked at the mine as a relieving Operations Manager for a period of approximately six months in 2007 and 2008.

Bernie made many improvements to the operation of West Wallsend during his last stint here, and is looking forward to maintaining West Wallsend as one of the safest and most productive mines in NSW.



Bernie McKinnon, West Wallsend Operations Manager.

Teralba Colliery Rationalisation

Teralba Colliery has been operating on a care and maintenance basis since 25 May 2001, when the last coal from its mining operations was brought to the surface. Since the commencement of care and maintenance operations, Xstrata Coal has been undertaking feasibility assessments to determine the potential for future mining operations at Teralba Colliery. Following the completion of these assessments, a decision has been made to rationalise the infrastructure at Teralba Colliery in order to reduce the operating costs associated with the operation of the mine.

Rationalisation activities will include: decommissioning of underground services and machinery; decommissioning and deconstruction of selected surface infrastructure; and the filling and sealing of mine entries and shafts. These rationalisation works will result in increased activities at Teralba Colliery over the next 12 months, however all works will be undertaken in consultation with the relevant regulatory authorities, including Lake Macquarie City Council.

Further details on specific activities and progress of the rationalisation processes will be provided to local residents and in subsequent editions of this newsletter.



Teralba Colliery Southgate site.

Community Support

As reported in previous editions of the OCAL Community Newsletter, OCAL has a well established community support program aimed at enhancing the local community. OCAL has initiated this community support program in recognition of the importance of its surrounding community in the

ongoing success of its operations. Therefore the support initiatives established by OCAL are designed to allow the value of the program to continue to be sustainable after OCAL's operations have ceased.

Local groups which have benefited from OCAL's community support program during the last six months include: West Wallsend High School, the Hunter Bikers Tinned Food and Blanket Winter Appeal (in support of the Salvation Army Appeal), the Lake Macquarie Environmental Research Grants Scheme, Barnsley Public School and the Rotary Club of Newcastle.

Westside Mine Rehabilitation

Rehabilitation at Westside Mine is conducted progressively throughout the life of the mine and forms an integral component of mining operations.

During November 2008, Westside Mine undertook a rehabilitation program consisting of 40,800 m² on previously mined land. A further rehabilitation campaign of 30,000 m² was undertaken during March and April 2009.

Some of the species used in rehabilitation at Westside Mine include Spotted Gum (*Corymbia maculata*), White Stringybark (*Eucalyptus globoidea*) and Black She-Oak (*Allocasuarina littoralis*). Despite the very dry weather that was experienced during summer, the native plant species that were planted have survived and are growing well.



Rehabilitation at Westside Mine.

Rehabilitation of MCPP Reject Emplacement Area

As reported in the previous community newsletter, MCPP is committed to rehabilitating its current reject emplacement areas. Capping material has been sourced and spread, along with a significant amount of topsoil. A grass cover has been

grown in this topsoil whilst the revegetation program for the area is finalised.

MCPP is proposing to implement a trial revegetation program which will include small stands of specially selected native tree species across the emplacement area. This program has been approved by the Department of Primary Industries which regulates the rehabilitation of all coal mines in NSW. It is anticipated that this revegetation trial will commence in Spring 2009.

Once the revegetation program is finalised, MCPP is planning to progressively rehabilitate areas which have been shaped to a final landform.



Rehabilitation and temporary grass cover on the MCPP Reject Emplacement Area.

Community Consultative Committee

Westside Mine has a community consultative committee (CCC) for the site. Members of the committee meet twice a year to discuss any community concerns regarding the operational and environmental performance of Westside's operations. The next CCC meeting is scheduled for June 2009. If you would like to see a specific topic or issue discussed at the meeting, one of the community members can speak on your behalf. CCC members contact details are available from Mark Robinson or Neil Rae (see below for contact details).



Westside Mine CCC Members.

AlphaOne Health Program

The AlphaOne program was introduced in January 2008 as a behavioural and organisational program designed to address the health, fitness, safety and quality of life needs of West Wallsend Colliery employees. The AlphaOne program is industry specific to meet the unique needs of the mining industry and its workers. The program is also designed to create and sustain positive behavioural change at an individual, team and organisational level.

AlphaOne is in fact three programs in one:

1. Individual Change Program, to reach all employees, including those at highest risk. The individual change strategies help employees to identify personal health risk factors, motivate and support them to change and sustain habits for good health. Employees are given health messages and resources tailored to each individual's readiness to change.
2. Teams change program, to build communication and support within teams.
3. Organisational change program, to create a more supportive work environment and to reinforce and sustain healthy change within the workplace.

Health behaviours are powerful determinants of an individual's overall health. Health habits have the potential to influence medical, fitness and psychosocial risk. The AlphaOne program includes an analysis of participants' behaviour in regards to physical activity, nutrition, smoking and alcohol consumption. This provides participants with a risk analysis of their health behaviour profile as compared to Australian targets for healthy living. In addition participants are also provided with one-to-one counselling and goal setting to assist with addressing at risk behaviours.

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Xstrata's commitment to Sustainable Development

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.