



BULLI SEAM OPERATIONS

ATTACHMENT 4
CONSULTATION NEWSLETTERS
AND LEAFLETS

Planning for the future *Keeping you informed*

Planning for the future with a Part 3A application

This is the first of a series of information sheets aimed at keeping you informed of Illawarra Coal's preparation of a Part 3A application for its Bulli Seam operations. Preparing the application is a requirement of the NSW Environmental Planning and Assessment Act and will involve extensive consultation with stakeholders.

Who is Illawarra Coal?

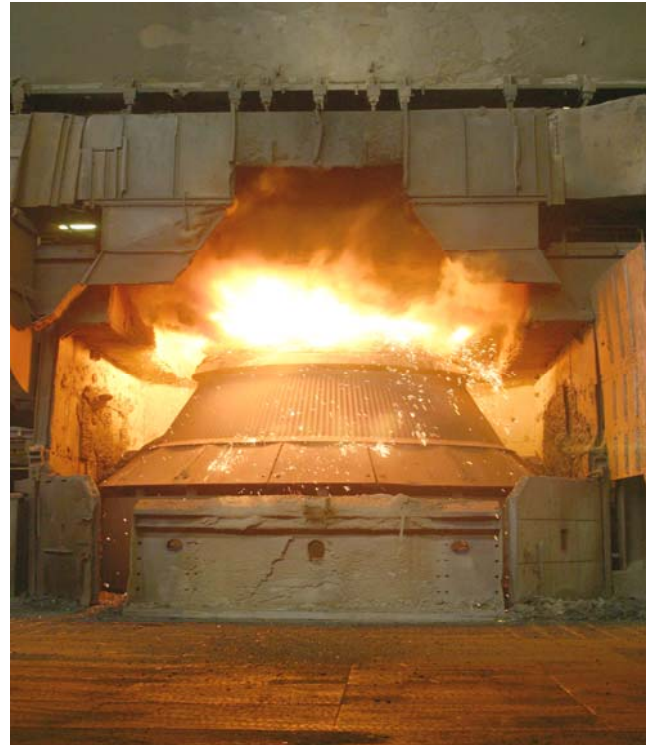
Illawarra Coal is a subsidiary of BHP Billiton and operates three high-volume underground coal mines – Appin and West Cliff in the Wollondilly region, and Dendrobium Mine in the Illawarra region. Using longwall technology these mines produce premium quality, hard coking coal and a small amount of thermal (energy) coal from the Bulli and Wongawilli seams. Coking coal is used in the production of steel and Illawarra Coal supplies more than 90 percent of the coal used by the Australian steel industry.

Preparing the application – the timing

Work has begun on preparing the application for approval from the NSW Department of Planning for the continued operations of our mining in the Bulli coal seam – the Appin and West Cliff Mines and their associated operations. A Project Description Report and Preliminary Environmental Assessment have been submitted to the NSW Department of Planning for assessment.

This is the first step in the approval process and a requirement of the Environmental Planning and Assessment Act, that will take up to two and half years to finalise and will regulate the Company's mining operations in the area for some 30 years.

Work has begun on preparing a Part 3A application for approval from the NSW Department of Planning for the continued operations of our mining in the Bulli coal seam – the Appin and West Cliff Mines and their associated operations.



Illawarra Coal produces coking coal for steelmaking.



The Part 3A application will include detailed environmental studies.

Planning for the future

Keeping you informed

Preparing the application

What is involved?

The application will include proposed maximum footprints of the future operations of Appin and West Cliff mines which are located in the Appin and Douglas Park areas. Part 3A approval will not remove the need for the preparation of Subsidence Management Plans – the Company will still have to submit a SMP for approval of each series of longwalls associated with its operations.

The final application to the NSW Department of Planning will include a complete Environmental Assessment, and incorporate a comprehensive review of the economic benefits, and impacts on natural and man-made surface features. Detailed studies for the preparation of the Environmental assessment have begun with early monitoring of fauna and flora being undertaken in some areas.

The Part 3A application will reflect the Company's commitment to environmentally sustainable mining in order to provide ongoing economic benefits while reducing the future impacts of our operations on natural and man-made surface features including; railway lines, bridges, flora, fauna, cultural heritage, rivers and streams.

Stakeholders will be kept informed as work continues on developing the application, and there will be opportunity for discussion via information days and focus groups.

For further information please contact

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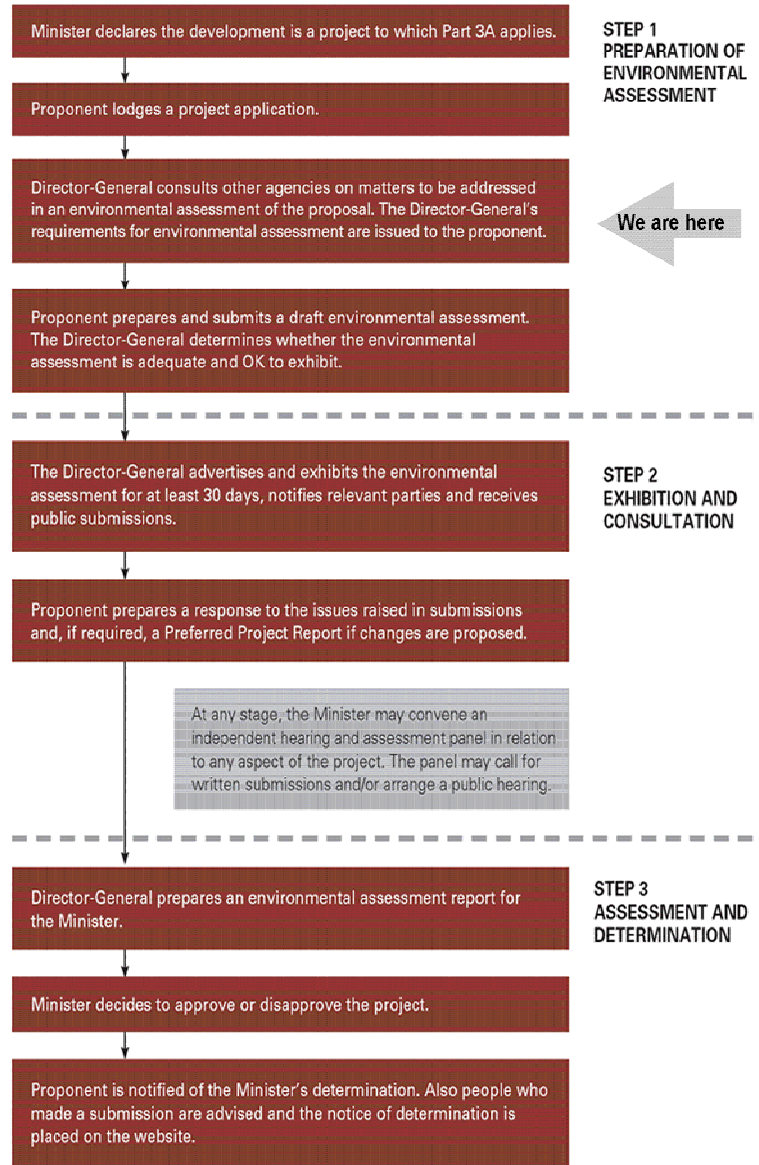
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Typical steps in the Part 3A process

Under Part 3A of the *Environmental Planning and Assessment Act 1979*



Preparation of a Part 3A application is a lengthy process. Illawarra Coal's Bulli Seam application is expected to be submitted to Government in August 2009.

Planning for the future *Keeping you informed*

Planning for the future with a Part 3A application

This is the second of a series of information sheets aimed at keeping you informed of Illawarra Coal's preparation of our Part 3A application for its Bulli Seam Operations Project. The application is a requirement of the NSW Environmental Planning and Assessment Act (1979) and will incorporate a complete Environmental Assessment.

Who is Illawarra Coal?

Illawarra Coal is a subsidiary of BHP Billiton and operates three high-volume underground coal mines – Appin and West Cliff in the Wollondilly region, and Dendrobium Mine in the Illawarra region. Using longwall technology these mines produce premium quality, hard coking coal and a small amount of thermal (energy) coal from the Bulli and Wongawilli seams. Coking coal is used in the production of steel and Illawarra Coal supplies more than 90 percent of the coal used by the Australian steel industry. The Bulli Seam Operations incorporate the West Cliff and Appin Mines and their associated infrastructure.

The Bulli Seam Operations Project Environmental Assessment will reflect the Company's commitment to environmentally sustainable mining in order to provide ongoing economic benefits while managing the future impacts of our operations on natural and man-made surface features including; railway lines, bridges, flora, fauna, cultural heritage, rivers and streams. In addition, the Assessment will also incorporate a comprehensive review of future mine plans, the economic benefits and social impact.

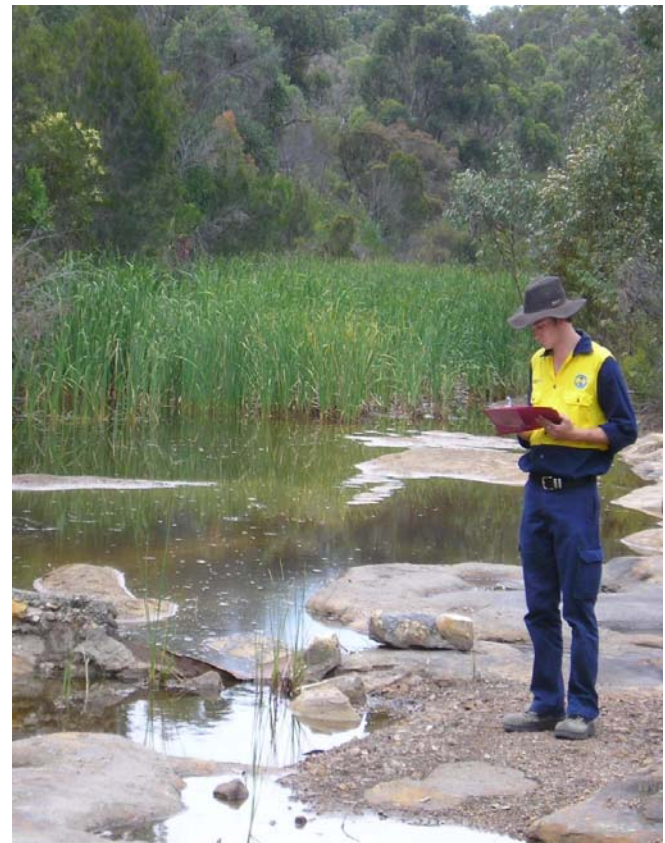
The studies

Submission of the complete Environmental Assessment to the NSW Department of Planning is expected to be made in July this year, and extensive work is well underway in relation to this.

Having received Director General's Requirements last year, the Company has engaged a range of specialists who have been gathering environmental data which will be incorporated into the assessment to be presented to government for its consideration.



The Bulli Seam Operations Project incorporates a complete Environmental Assessment including a review of future mine plans, economic benefits and social impact.



The complete Environmental Assessment will include studies of all natural features including flora, fauna, rivers, and streams.

Illawarra Coal is currently preparing a complete Environmental Assessment for approval from the NSW Department of Planning for the continued operations of our mining of the Appin and West Cliff Mines and their associated operations.

Planning for the future

Keeping you informed

The application What else is involved?

The assessment will address proposed mining areas for the next 30 years of the Appin and West Cliff mines which are located in the Appin and Douglas Park areas. Part 3A approval will not remove the need for the preparation of Subsidence Management Plans (SMPs) – the Company will still have to submit a SMP for approval of each series of longwalls associated with its operations.

Consultation and the Community Reference Group

To date the Company has consulted with a number of key stakeholders in relation to the Bulli Seam Operations Project and the wider community had opportunity to gain further information about this and other elements of Illawarra Coal's operations at a community information day held in Douglas Park last year.

Further to this, a Community Reference Group (CRG) has been formed and its inaugural meeting was held in February which acted as an introductory forum between community members, the Illawarra Coal team working on this project and consultants assisting with preparation of the Environmental Assessment.

The CRG is made up of nine volunteer members from the local community, two representatives of Illawarra Coal and has an independent facilitator. Residents in the areas of Appin, Douglas Park, Maldon, Menangle, Picton, Wedderburn and Wilton nominated to join the Group, following a call for Expressions of Interest through advertisements in local newspapers and Coalition News – Illawarra Coal's community newsletter.

Members of the CRG will provide their experience and time to work with Illawarra Coal over the coming months as the Company prepares its Environmental Assessment for the Bulli Seam Operations Project.

ILLAWARRA COAL COMMUNITY INFO SPOT

Douglas Park Community Hall
Every 3rd Saturday of the month 10am-2pm
Every 1st Thursday of the month 12pm-4pm
Commencing Saturday 18 April 2009

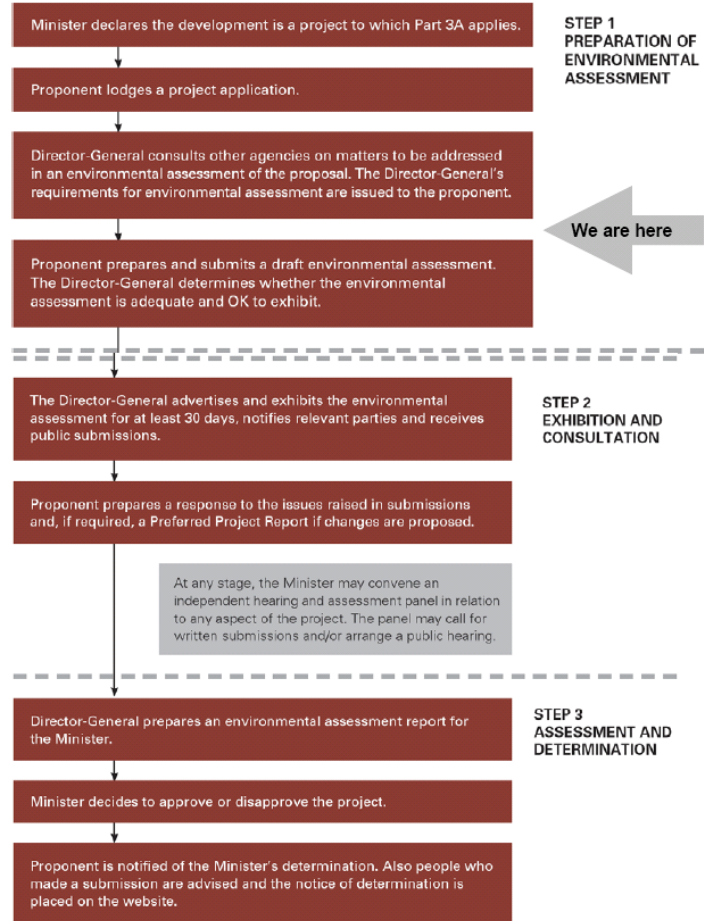
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MAJOR PROJECT ASSESSMENT — TYPICAL STEPS

Under Part 3A of the *Environmental Planning and Assessment Act 1979*



The complete environmental assessment for Illawarra Coal's Bulli Seam Operations Project is expected to be submitted to Government in July 2009.

For further information please contact:
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Planning for the future *Keeping you informed*

No 3 - 2009

Planning for the future with a Part 3A application

This is an information sheet to inform you of the progress of Illawarra Coal's Part 3A Application for its Bulli Seam Operations Project.

The Part 3A Application is a requirement of the NSW *Environmental Planning and Assessment Act, 1979*. If approved by the NSW Minister for Planning, the Project will provide for a further 30 years of mining by Illawarra Coal.

An Environmental Assessment for the Project is currently being prepared for submission in July this year.

Who is Illawarra Coal?

Illawarra Coal is a subsidiary of BHP Billiton and operates three underground coal mines – Appin and West Cliff in the Wollondilly region, and Dendrobium Mine in the Illawarra region. Using longwall technology these mines produce premium quality, hard coking coal and a small amount of thermal (energy) coal from the Bulli and Wongawilli seams. Coking coal is used in the production of steel and Illawarra Coal supplies more than 90 percent of the coal used by the Australian steel industry. The Bulli Seam Operations incorporate the West Cliff and Appin Mines and their associated infrastructure.

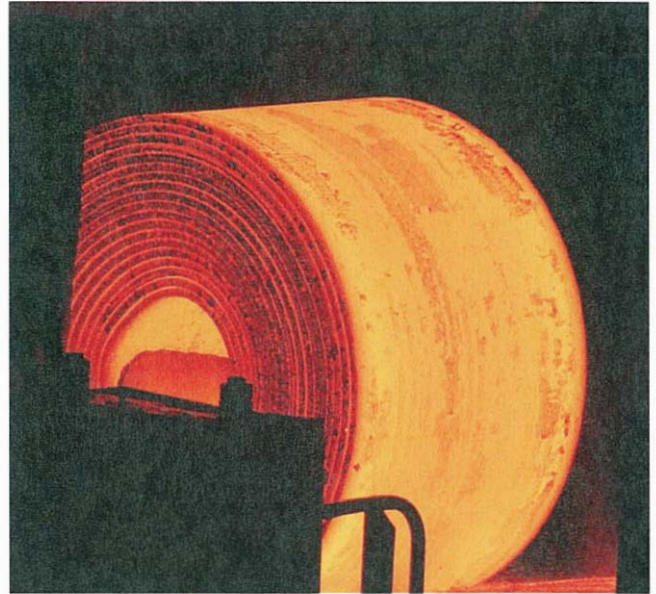
Illawarra Coal is committed to environmentally sustainable mining in order to provide ongoing economic benefits while managing the future impacts of our operations on natural and man-made surface features including railway lines, bridges, flora, fauna, cultural heritage, rivers and streams.

The Project and Mine Subsidence

Underground longwall mining involves subsidence of the ground surface. This can affect structures such as buildings on the surface above the mining area. In all applications to mine a very thorough assessment of the potential effects is incorporated and management plans are developed and approved.

As part of this Project's Environmental Assessment, a Subsidence Assessment will be prepared by specialist consultants, but individual property subsidence management plans will not be required until the company submits a subsidence management plan for specific longwall mining areas.

Individual Property Subsidence Management Plans are developed in consultation with the owners of each property and will be prepared progressively in relation to the Subsidence Management Plans associated with our operations over the next 30 years.



Illawarra Coal produces premium quality hard coking coal for steelmaking.



The complete Environmental Assessment will include studies of all natural features including flora, fauna, rivers, and streams.

The Study Area

The longwall mining area for the Environmental Assessment is outlined in yellow in the graphic on this page.

While the Part 3A application addresses mining in this area for the next 30 years, specific details of when mining will take place; the configuration of longwalls; and in what area; is yet to be finalised.

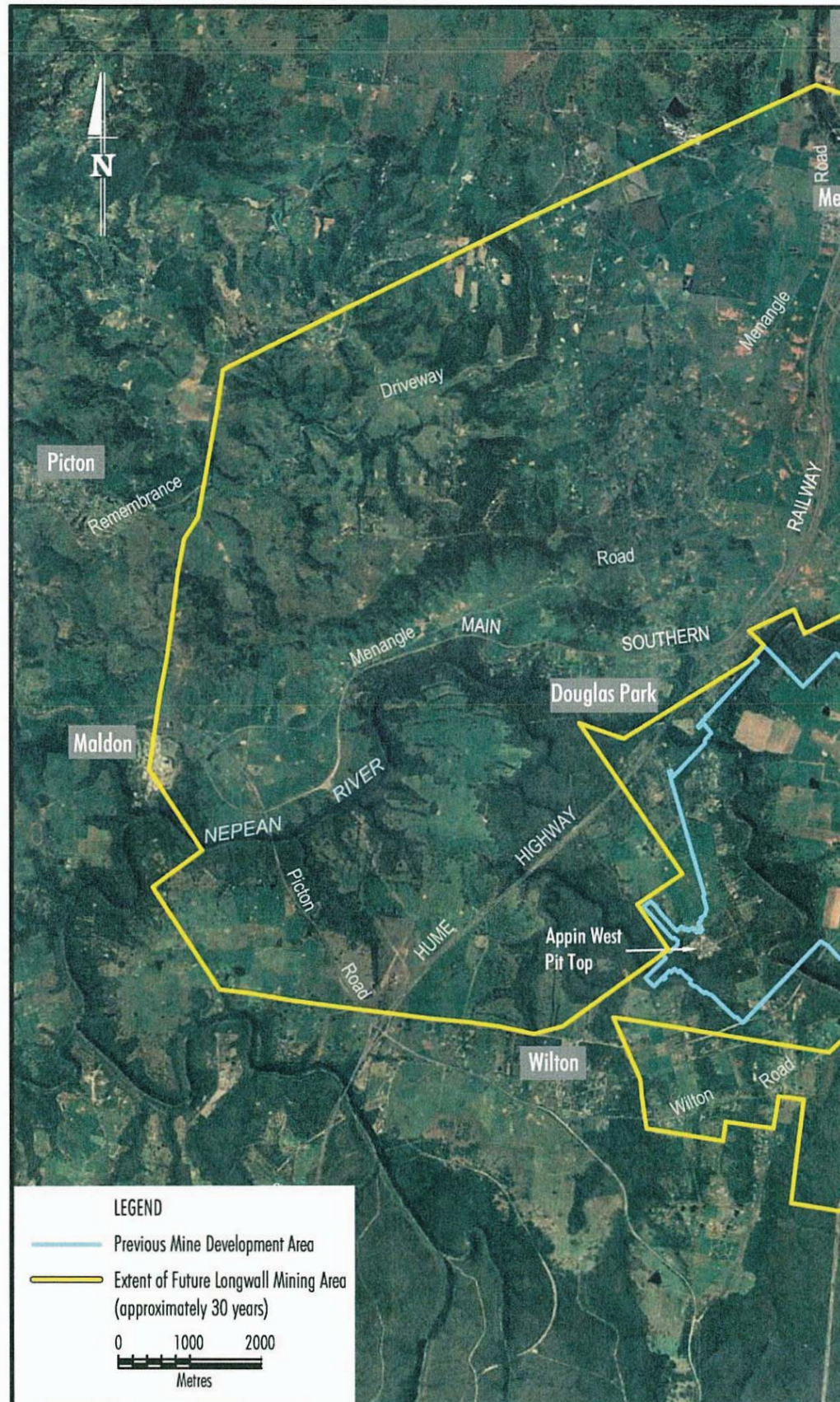
The finalisation of these elements will incorporate extensive consultation with all relevant stakeholders in relation to the preparation of a Subsidence Management Plan (SMP) for each mining area, or series of longwalls.

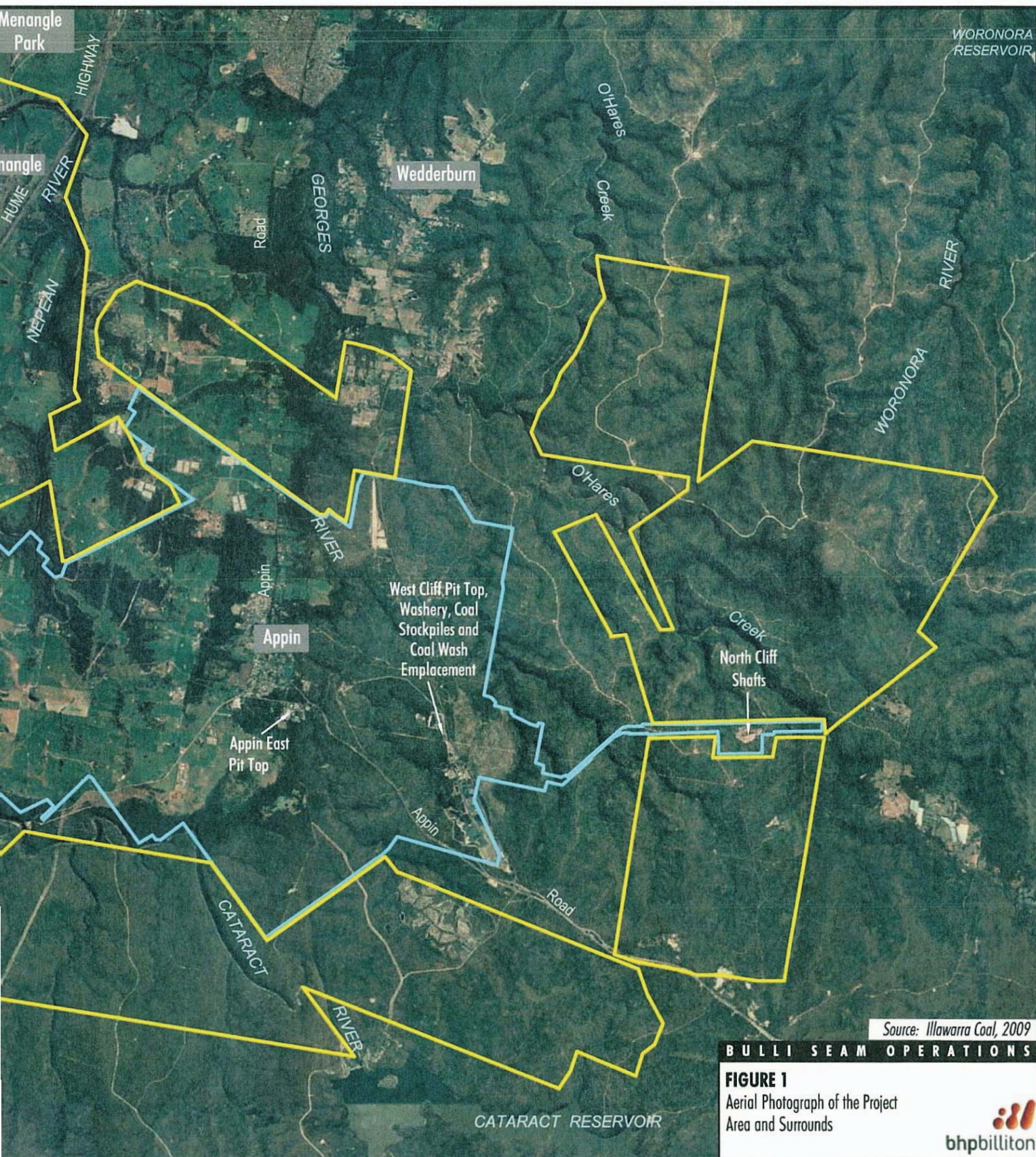
SMPs are submitted to the NSW Department of Primary Industries for approval and usually done so in stages according to mine planning requirements.

Besides field surveys to determine the significance of ecological and cultural heritage features in the area of proposed mining, the SMP process incorporates mine subsidence predictions in relation to each individual property – the final details of which are influenced by a range of issues such as where the property is in relation to mining, the depth of cover between the coal seam and the surface, and geological surface features.

The information relating to individual properties is incorporated into individual property subsidence management plans which are prepared in consultation with the owners of each property. These plans assess the potential impacts to a range of features on the property including dwellings and swimming pools.

As mining domains are finalised, Illawarra Coal will make contact with landholders in the proposed mining area to discuss the details in relation to each property.





Planning for the future Keeping you informed

The Mine Subsidence Board

Properties within Mine Subsidence Districts are subject to construction conditions by the NSW Government Mine Subsidence Board, designed to minimise the effects of subsidence.

The NSW Government Mine Subsidence Board operates under the *Mine Subsidence Compensation Act, 1961* to provide compensation for the repair of structures such as houses which are damaged by subsidence impacts caused by the extraction of coal in NSW.

A Mine Subsidence Community Guide is attached to this leaflet and provides some further information on mine subsidence and the role of the Mine Subsidence Board.

To talk to a representative of the Mine Subsidence Board you can contact their **Picton Office** at 100 Argyle Street, Picton or by phone on **4677 1967**.

The consultation process

To date the Company has consulted with a number of key stakeholders in relation to the Bulli Seam Operations Project and the wider community had opportunity to gain further information about this and other elements of Illawarra Coal's operations at a community information day held in Douglas Park last year.

Further to this, a Community Reference Group (CRG) has been formed which acts as a forum between community members, the Illawarra Coal team working on this project and consultants assisting with preparation of the Environmental Assessment.

Following submission of the Project Environmental Assessment it is anticipated that it will be on public exhibition in September 2009, providing opportunity for comment and submissions.

The Department of Planning will advertise the public exhibition and provide details of who to contact and provide a submission.

For further information:

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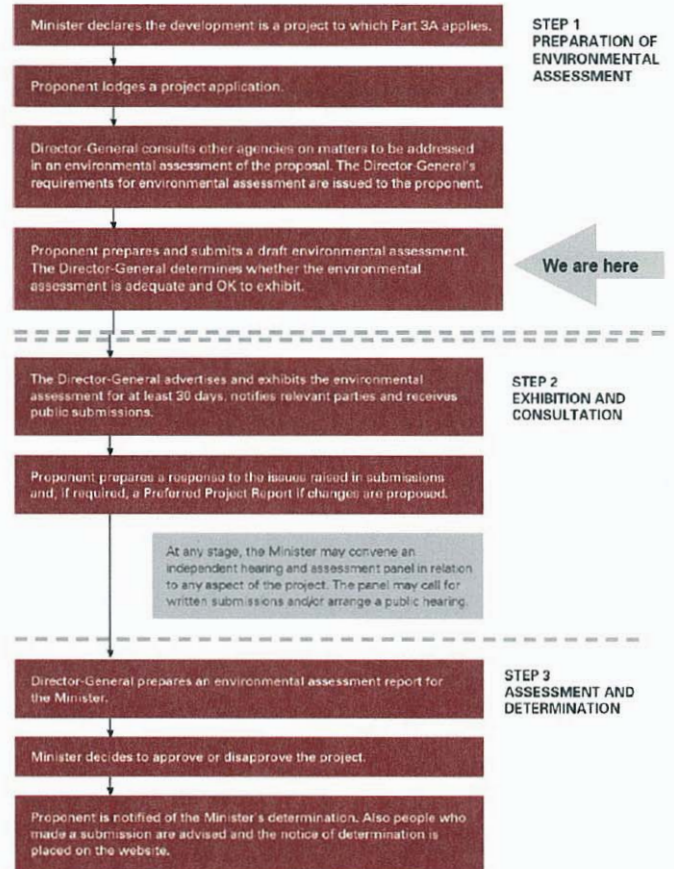
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MAJOR PROJECT ASSESSMENT — TYPICAL STEPS

Under Part 3A of the *Environmental Planning and Assessment Act 1979*



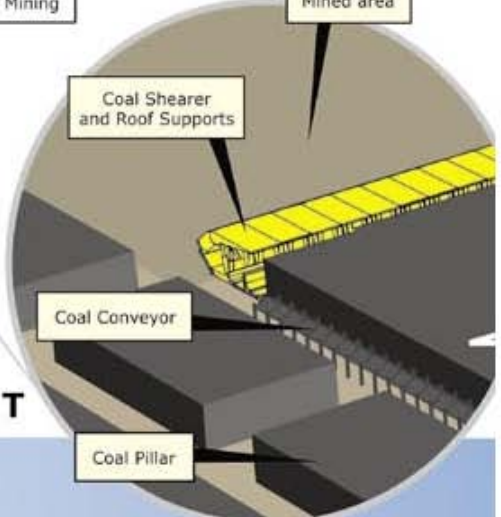
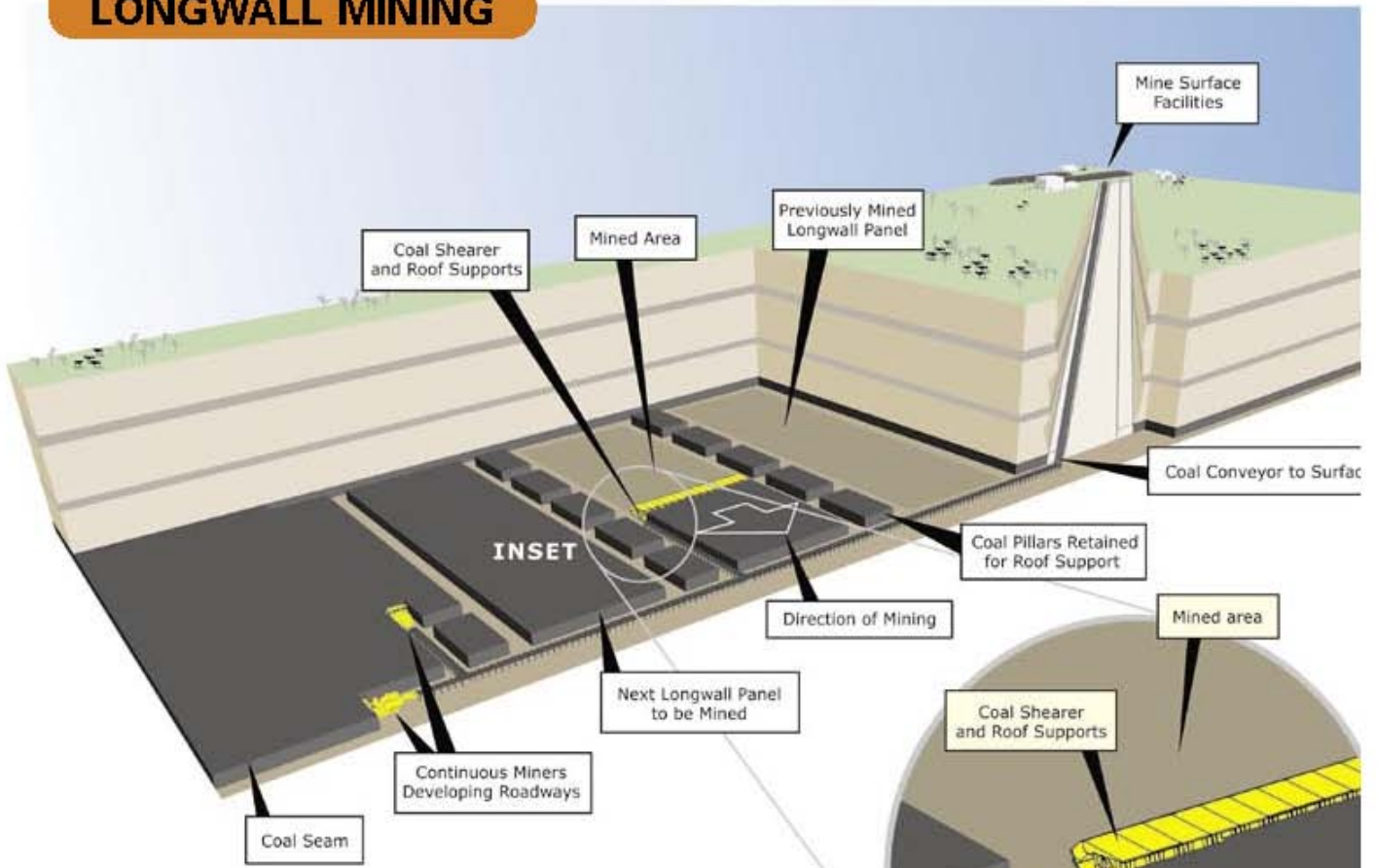
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Longwall Mining and Subsidence

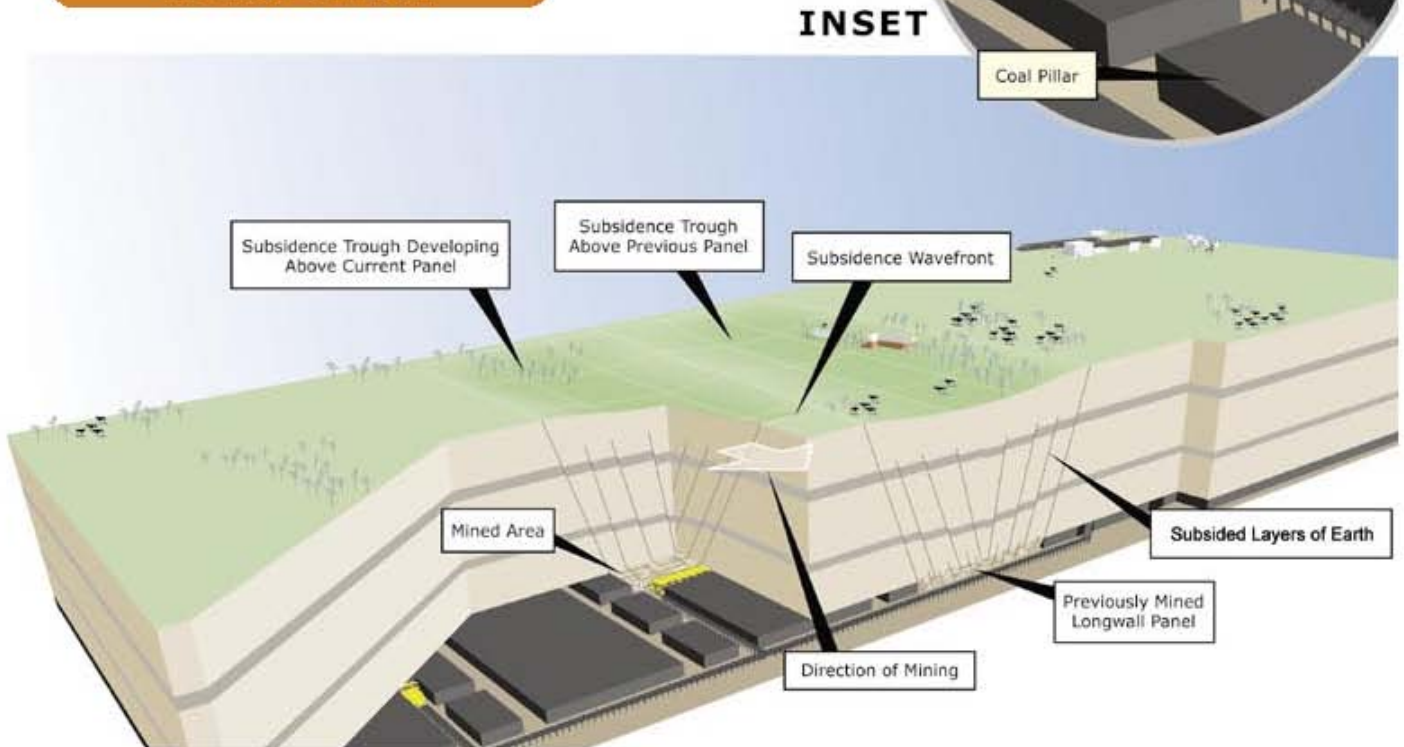
Introduction

Illawarra Coal's mining operations utilise a modern underground mining method called *longwall mining*. Longwall mining is an established method of coal mining and is widely used in Australia and overseas. Longwall mining causes subsidence which results in the lowering of the surface of the land. This Information Sheet explains longwall mining and subsidence.

LONGWALL MINING



SUBSIDENCE

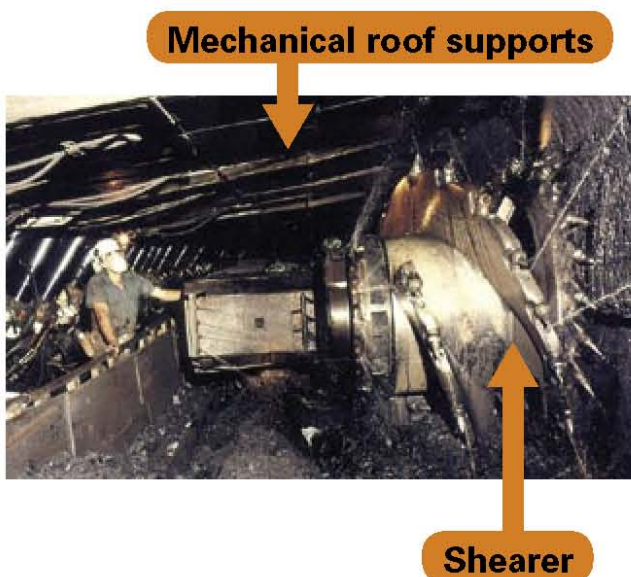


What is longwall mining?

In preparation for longwall mining, a rectangular block of coal, called a longwall panel, is defined by excavating underground roadways in the coal seam around its perimeter. These roadways are developed by a machine called a *continuous miner*.

Longwall panels are separated by sections of coal that are not mined called *coal pillars*. These coal pillars provide roof support for the roadways. Illawarra Coal's longwall panels are typically up to 300 m wide, up to 4 km long and are the height of the coal seam (typically 2.5 to 3.5 m). The longwall panels are typically 450 to 500 m below the ground surface.

A machine called a *shearer* is used to mine coal from the longwall panel. The coal shearer operates continuously and moves from side to side across the longwall panel as it mines the coal. The shearer gradually moves along the length of the longwall panel. Coal mined by the shearer is transported from the underground workings to the surface using a series of conveyors.



A series of mechanical roof supports hold up the roof of the longwall panel behind the shearer to protect the mining operations. The roof supports are moved along the panel progressively with the shearer as mining proceeds. The roof of the mined area behind the roof supports is allowed to collapse as mining progresses. It can typically take one to two years to mine a single longwall panel, depending on the size of the panel and the mining conditions.

What causes surface subsidence?

Surface subsidence occurs as the roof of the mined area behind the roof supports progressively collapses under the weight of the layers of earth above the coal seam. The subsidence effect at the surface occurs as a bending movement progressing in the form of a shallow wave, which moves across the ground at approximately the same speed as the mining face progresses in the longwall panel (typically 50 to 60 metres per week).

When does surface subsidence occur?

Surface subsidence commences once the coal is extracted from beneath and develops progressively as a wavefront as longwall mining proceeds. Surface subsidence from longwall mining does not occur as a sudden collapse. Approximately 90% of the surface subsidence occurs over a period of 6 weeks. Generally, all significant subsidence from the mining of a longwall panel is complete within 12 months of mining.

What effect does subsidence have on the ground surface?

As each longwall panel is mined there will be a resulting depression on the surface of the ground described as a subsidence trough. The depth of surface subsidence is generally greatest in the middle of the longwall panel and least above the coal pillars. The maximum depth of subsidence for Illawarra Coal's mining operations is generally less than 1.5 metres.

Slopes on the surface created by the subsidence trough are gentle and typically less than 2% (i.e. 1 metre drop over a 50 metre length). Subsidence troughs occur relative to the existing ground surface and are therefore less noticeable on rolling topography than on flatter areas.

What effects can subsidence have on surface features?

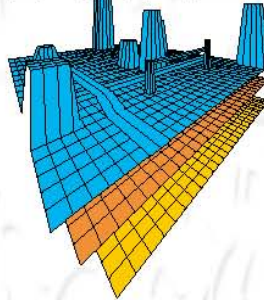
Surface subsidence can potentially damage houses, sheds, roads, dams and other man-made structures. The Mine Subsidence Board (MSB) is responsible for repairing subsidence damage to man-made structures, in accordance with the *Mine Subsidence Compensation Act*. Further detail about the MSB and its role in the management of subsidence effects on man-made structures is provided in Illawarra Coal's Information Sheet – *Managing Property Subsidence Effects*.

Surface subsidence can also create surface cracks and humps, and surface drainage effects including alteration of drainage paths and formation of ponding areas. The remediation of these effects, and any consequent adverse effects on land use, is the responsibility of Illawarra Coal in accordance with the provisions of the *Mining Act*. Information on Illawarra Coal's obligations and approach to managing these subsidence effects is also provided in Illawarra Coal's Information Sheet – *Managing Property Subsidence Effects*.



MINE SUBSIDENCE A COMMUNITY GUIDE

**MINE
SUBSIDENCE
BOARD**



PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

MINE SUBSIDENCE – A CO

WHAT IS MINE SUBSIDENCE?

Mine subsidence may result from current or future mining, or from our heritage of 200 years of coal mining in NSW.

Subsidence can be described as the lowering or settling down of the land's surface. When underground mining takes place, the earth's forces are redistributed and there is a tendency for the void to close. Some of this effect may be transferred to the surface as mine subsidence. The extent to which subsidence occurs in a particular location depends upon the width and height of the coal extracted, its depth from the surface, and the rock types found in the overlying strata.

Not all mining results in subsidence nor does all subsidence cause damage to surface structures. Today's coal mines are required to provide detailed information regarding mining and its effects prior to extraction approval being granted. The amount of subsidence and type of structure will influence the extent of damage that may occur.

Since the early 1970s, a large data bank of subsidence information has been collected in NSW from field observations. Analysis of that data has led to the development of models to predict subsidence. The surface is monitored for mine subsidence whilst coal extraction is carried out.

Organisations such as the Department of Primary Industries - Mineral Resources and NSW Minerals Council can assist you by providing information on coal mining. The Department of Primary Industries - Mineral Resources is responsible for the issue of mining leases and approval to extract coal.

Experience both in Australia and overseas has shown that through controlled subsidence it is possible to successfully undermine significant and sensitive structures, eg, bridges, historical buildings, pipelines and railways.

UNDERGROUND COAL MINING METHODS

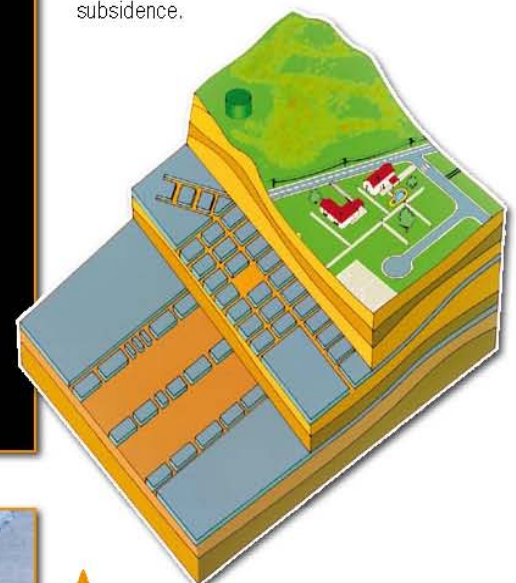
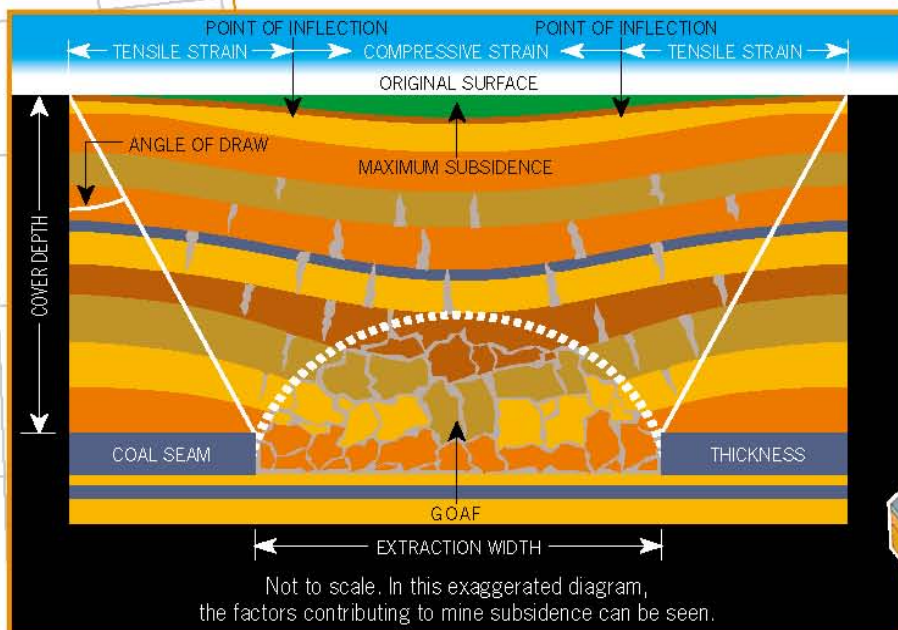
Bord and pillar and longwall mining are the two principal mechanical methods of underground coal recovery. Many variations based on these methods have been developed to suit particular geographical or mining conditions, however, all employ either continuous miners or longwall shearers to extract the coal.

With bord and pillar mining, a series of parallel headings connected by cut-throughs are developed to the furthest limit of the panel. Once these first workings are completed, the standing pillars and surrounding coal are systematically extracted, working back towards the main access roadways. This part of the operation is called second workings or pillar extraction.

It is possible to limit the surface subsidence by leaving a proportion of the pillars in place to support the overlying strata. This is known as partial extraction.

With longwall mining, two sets of parallel headings are developed between 100-300 metres apart and linked by a connecting roadway at the end furthest from the main access roadway. This becomes the site for installing the longwall equipment, which systematically removes the large block of coal between the headings or gate roads.

In both types of mining, it is the second workings or pillar extraction, that results in mine subsidence.



▲ Achieving compatibility between coal mining and residential development requires an awareness of the needs of both. Bord and pillar workings are shown in the upper seam and longwall mining in the lower.

◀ Mitigatory work by the Mine Subsidence Board allowed this bridge to remain operational whilst undermined by longwall methods.

COMMUNITY GUIDE

SURFACE EFFECTS OF COAL MINING

When a seam of coal is extracted over a wide area, the strata will sag to rest on the fallen material ("goaf"). As a result, surface movements occur in both the vertical and horizontal planes. Damage can include fine cracks to brickwork and concrete, opening of joints in internal linings and tilting of structures.

The main components of surface subsidence are:

(a) Vertical Subsidence - is most significant where the elevation of a surface feature is important, such as in low lying areas.

(b) Tilt - differential vertical subsidence between two points changes the slope of the surface and consequently that of any surface features. Features which may be particularly affected include tall structures and gravity-dependent structures, such as gutters, drains, sewers, water and sewerage works.

(c) Strain - different horizontal movements between two points cause a change in the length of the surface. If the length of this surface increases, a tensile strain is induced. If the length reduces, a compressive strain is created. The effects of strain on a surface feature depend very much on its design and the materials selected. For example, weak masonry has a low tolerance to tensile strain, whereas steel has a very high tolerance. Rocks and masonry have much higher resistance to compressive strain than timber.

Structures, such as pipelines and buildings, can be engineered so that they have an increased tolerance to strain. Foundations can be designed to limit the amount of ground strain that is transmitted into the building.

In most cases, the majority of mine subsidence is completed within two years of total extraction occurring. Small levels of residual subsidence can continue for a longer period of time.



▲ Subsidence has caused internal cracking.

▼ The effect of tensile strains from subsidence is clearly shown on this road surface.



DESIGNING FOR MINE SUBSIDENCE

Special design and detailing techniques are adopted to allow structures to withstand anticipated movements from earthquakes and unstable foundation material. That includes all types of buildings, roads, railways, drains, services, etc.

Mine subsidence is just another form of ground movement that can be designed for. Design principles and techniques that allow structures to accommodate ground movement resulting from mine subsidence have been adopted extensively in England and Europe since the 1920s and in Australia since the late 1960s.

Monitoring over many years of structures affected by subsidence has enabled the effects to be better understood. Better prediction of the behaviour of structures has led to improved structural design.

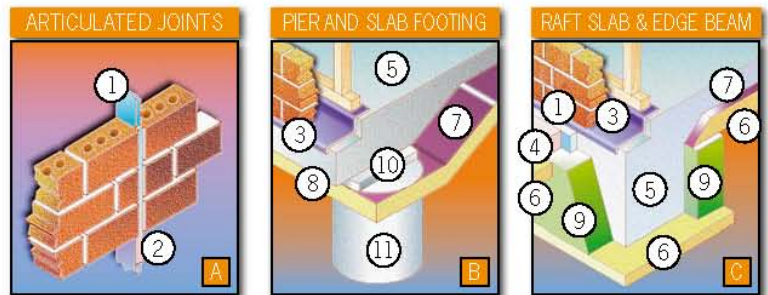
Generally, it is the strains and curvatures that damage structural elements of buildings. Although tilt does not normally cause structural damage, in severe cases it may affect the usage of a building.

At the design stage, it is possible to select a type of structure that, with appropriate detailing, will allow the building to accommodate these subsidence effects. We require designers to ensure that any damage is non-structural and the building remains:

- (a) Safe - no danger to users**
- (b) Serviceable - available for its intended use**
- (c) Repairable - damaged components repaired economically**

In areas where shallow mine workings exist, design can overcome the risk of pothole subsidence.

In general, mine subsidence damage is minimised by limiting the size of the structure, careful choice of the building materials used and incorporating design details such as flexible joints, slip layers, elimination of brickwork over openings and the requirements of the Building Code of Australia. Buildings can be designed to facilitate ready repairs should mine subsidence damage occur and, in some cases, are designed to be relevelled to overcome tilting.



STRUCTURAL FEATURES DESIGNED TO ACCOMMODATE GROUND MOVEMENT WINDOWS AND DOORS

Brickwork above openings replaced with in-fill panels (timber, glass, etc)

- 1 Compressible Joint Filler
- 2 Sealant
- 3 Damp Course
- 4 Paving
- 5 Concrete Slab
- 6 Sand
- 7 Waterproof Membrane
- 8 Sand (Sliding Layer)
- 9 Compressible Filling (eg. Vermiculite)
- 10 Weak Mortar Pad
- 11 Concrete Pier



MINE SUBSIDENCE

DEVELOPMENT GUIDELINES

Engineering and architectural considerations can significantly minimise the risk of mine subsidence damage. To assist the community in this matter, we provide surface development guidelines relating to structures and subdivisions within Mine Subsidence Districts. We can also provide advice outside Mine Subsidence Districts. Our development guidelines are designed to ensure that structures will tolerate the expected levels of subsidence so that safety is not compromised, buildings can remain in use and, in the event of mine subsidence damage occurring, any inconvenience to owners and users is limited while repairs are made.

The guidelines cover both the nature and class of improvements and include the height of a building, the type of building materials used and the construction methods. Solid or cavity brick construction is not flexible and can be damaged by low levels of subsidence. In some areas, even brick veneer construction is unsuitable, particularly should high levels of subsidence be anticipated.

Some structures are not specifically designed for mine subsidence, for example, those outside a Mine Subsidence District or those built prior to proclamation of a District. They are however eligible for the full range of our services, including any appropriate work to prevent or mitigate damage from mine subsidence.

We encourage the development of building techniques to allow the widest possible range of designs and material to be available to the building public.

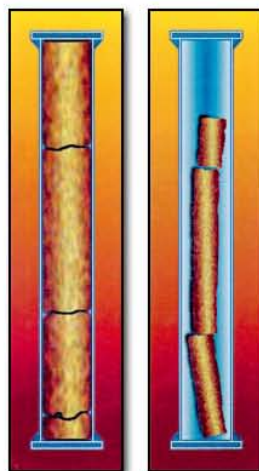
Our staff would be pleased to discuss our surface development guidelines with you.



◀ Type of dwelling approved under the Board's guidelines.



◀ Research and development leads to less damage by using better materials and construction methods.



WHAT CAN BE THE CAUSE?

Damage to homes can arise from many causes. While it is often thought that mine subsidence is the cause if the property is in a Mine Subsidence District, this is not always the case. Our staff will consider many factors when inspecting a damaged home and discussing a claim with an understandably concerned owner.

Records kept at our District offices will show if the property is undermined and what the likelihood is of subsidence having occurred. Survey marks, if available, will also be checked. However, other factors need to be investigated as damage to surface structures may have many causes.

A problem often experienced is the failure of footings or concrete slabs due to incorrect reinforcement or inadequate compaction of the underlying materials. In some cases, homes may have been subject to unusual loadings, such as earthquakes, or the structural design may be inadequate. (For example, bearers and floor joists may be incorrectly spaced or of inadequate size.)

Changes in drainage patterns or moisture content will lead to ground movement should reactive soils be present. (The reactivity of soils can be determined by having the site classified by a geotechnical engineer.) Homes can be designed and built for reactive sites so that the ground movement will not normally cause any structural damage, although some minor cracking of slabs, brickwork and interior fittings may occur. Australian Standard 2870 classifies wall cracks of less than 1 mm as fine cracks which do not need repair.

Whilst older homes may be subject to the ravages of time, particularly if they have not been properly maintained, it should be recognised that new homes often experience settlement or frame/concrete shrinkage.

We can provide you with more detail on any of these issues on other causes of damage to homes.



Inadequate footings ▲



No expansion joint in pavers ▲



No reinforcement ▲



Inadequate footings ▲

◀ Reactive soil testing - Soils can expand or contract as moisture content changes, often resulting in significant cracks in buildings.

A COMMUNITY GUIDE

THE MINE SUBSIDENCE BOARD'S ROLE IN THE COMMUNITY

The Mine Subsidence Board is a service organisation operating for the community in coal mining areas of NSW and is responsible for administering the Mine Subsidence Compensation Act. The Act provides for compensation or repair services where improvements are damaged by mine subsidence resulting from the extraction of coal.

The Act also gives us the responsibility of reducing the risk of mine subsidence damage to properties by assessing and controlling the types of buildings and improvements which can be erected in Mine Subsidence Districts. A Mine Subsidence District is used to recognise areas where our expertise and service are likely to be in higher demand due to existing or future coal mining.

Other important roles are the elimination of public and private danger caused by mine subsidence and the provision of a comprehensive and accessible advisory and technical service.

We maintain an active role in liaising with the community, industry and other government departments.

We can assist you if you have any enquiries regarding mine subsidence or if your property has incurred damage as a consequence of mine subsidence.



▲ Repairs in progress.



▲ Potholes from old abandoned mining are repaired by the Board where they present a public or private danger.



▼ Pre-mining inspections record any pre-existing damage.



THE BOARD'S CUSTOMER SERVICES

Our staff can provide you with a range of brochures and other information on mine subsidence as described in this publication.

You will require our approval to subdivide land or to erect or alter improvements within a proclaimed Mine Subsidence District. However, where a council does not require a building application, we will deem approval for those improvements.

Buildings built outside of and prior to the proclamation of a Mine Subsidence District are automatically covered for compensation. However, homes and other structures built in contravention of, or without, our approval, in a Mine Subsidence District, are not eligible for compensation in the event of damage due to mine subsidence.

Homeowners who believe that their improvements have suffered mine subsidence damage should contact our nearest office without delay and request a claim form. Care should be taken to include all information required. On receipt of your claim, one of our technical officers will contact you promptly to begin investigation.

As a guarantee of service, we will offer to carry out pre-mining inspections of residential areas, where subsidence is likely to cause damage. A pre-mining inspection is designed to establish the pre-mining condition of surface improvements which may be damaged by mine subsidence. Pre-mining inspections may range from a visual examination to survey levels and detailed photographs.

A Section 149 Certificate issued by councils and which must be attached to a Contract of Sale when a property is put on the market, gives notice as to whether a property is within a Mine Subsidence District. If it is, most financial institutions will require you to obtain a Section 15B Certificate from us prior to advancing money to purchase a home. This certificate is an assurance that the improvements are eligible for compensation if mine subsidence damage occurs.

On occasions, particularly over old shallow workings, mine subsidence may crack the ground or cause potholes. Should you know of any possible openings to old mine workings, please contact us or call our 24 hour emergency number to enable us to eliminate any danger.

WHERE CAN I GET MORE INFORMATION?

Our expert staff are there to assist you with further enquiries. In addition to our Head Office at Newcastle, we also have five District Offices strategically located in coal mining areas of NSW.

A range of brochures and fact sheets on mine subsidence is available free of charge. These include details on buying and building in a Mine Subsidence District and how to claim for mine subsidence damage. Surface development guidelines can be obtained upon request. Our staff also provide technical information on items such as designing for mine subsidence.

We provide interpreter services free of charge through the Community Relations Commission for people from non-English speaking backgrounds.

A 24-hour emergency service is provided in all districts.

WE APPRECIATE YOUR FEEDBACK

As part of our service commitment, we are dedicated to continuous improvement in providing the highest standard of customer service.

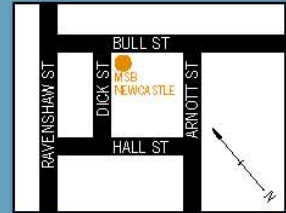
Our staff adheres to a professional Code of Conduct and our Guarantee of Service ensures that we meet the needs of our customers.

Your comments provide valuable information to assist us in keeping our service relevant to your needs.

- Constructive complaints help us identify areas where our service can be improved.
- Compliments reinforce what is well accepted and ensures these areas are maintained.

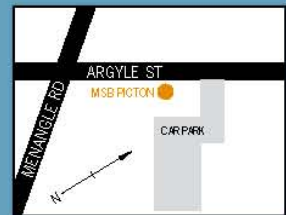
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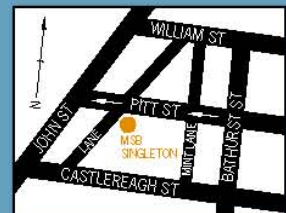
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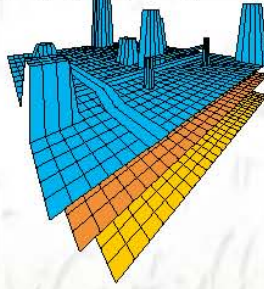


PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST



A GUIDE TO DESIGNING FOR **MINE SUBSIDENCE**

**MINE
SUBSIDENCE
BOARD**



PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

A GUIDE TO DESIGNING FOR M

INTRODUCTION

This information is provided by the Mine Subsidence Board as general guidance only and in no way can replace the services of a professional consultant on a particular project.

The Mine Subsidence Board is a service organisation operating for the community in coal mining areas of NSW and manages the scheme of compensation as provided for in the Mine Subsidence Compensation Act.

The Act provides for compensation or repair services where improvements are damaged by mine subsidence resulting from the extraction of coal. The Act also gives the Board the responsibility of reducing the risk of mine subsidence damage to properties by assessing and controlling the types of buildings and improvements which can be erected in Mine Subsidence Districts.

EFFECTS OF MINING

Movement of the ground surface following the underground extraction of coal results in the following:

1. Vertical subsidence
2. Horizontal displacement
3. Horizontal strains
4. Curvature
5. Tilt

Not all mining results in subsidence nor does all subsidence cause damage to surface structures.

Engineering and architectural considerations can significantly minimise the risk of all types of structures experiencing mine subsidence damage. Special design and detailing techniques are adopted to allow structures, including buildings, roads, railways, services, etc, to withstand anticipated movements from earthquakes and unstable foundation material. Mine subsidence is just another form of ground movement that can be designed for. Design principles and techniques that allow structures to accommodate ground movement resulting from mine subsidence have been used extensively in England and Europe since the 1920s and in Australia since the 1960s.

Generally it is the strains and curvature that damage structural elements of buildings. If strains in the ground are transferred into the structure, the tensile and compressive strains may cause building elements to crack, shear or buckle.

Tilt does not normally cause structural damage, however, in severe cases it may affect the usage of a building.

At the design stage it is possible to select a type of structure that, with appropriate detailing, will allow the structure to accommodate these subsidence effects. Designers aim to provide a structure where any damage is non structural and the building remains:

- a) **Safe** - no danger to users
- b) **Serviceable** - available for its intended use
- c) **Repairable** - damaged components economically replaceable

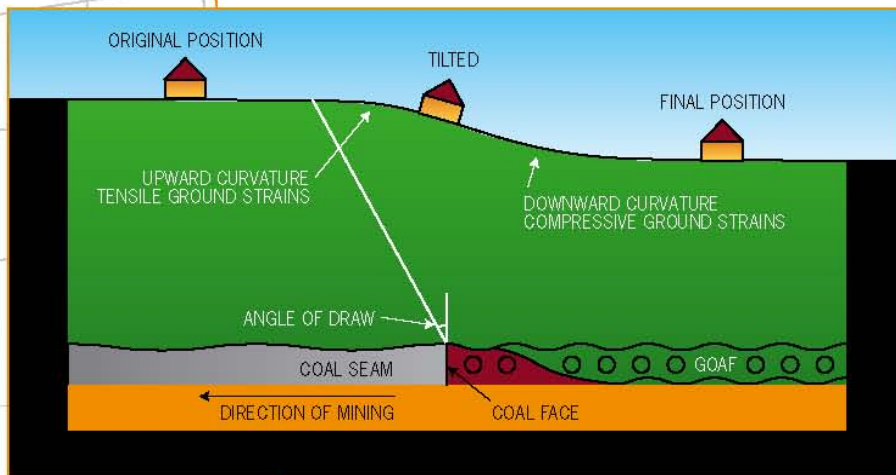
DESIGN OF STRUCTURES

Design for Vertical Subsidence

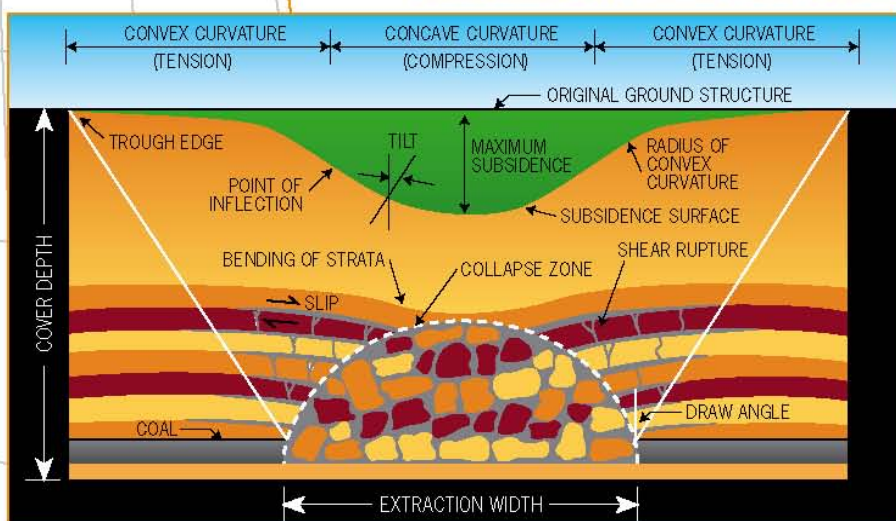
In general terms, ground subsidence represents a rigid body movement that has no effect on surface structures. As such, it is seldom a significant factor in the design of individual buildings. Structures will be left at a lower level but this normally has no adverse effect on them except in the case of buildings in close proximity to watercourses that may pose a flooding problem. Generally services such as drainage would subside with the building so no differential movement would occur.

Where geological conditions are present which may induce stepping such as along fault or fissure lines, differential vertical movement may be an issue. However, such geological features are often hidden beneath the surface soils and it is unlikely that their presence will be known at design stage unless a detailed site investigation has been undertaken.

This situation is most likely to be of relevance over areas larger than most residential dwelling footprints. Services such as water, sewerage and drainage may require additional care in design and detailing.

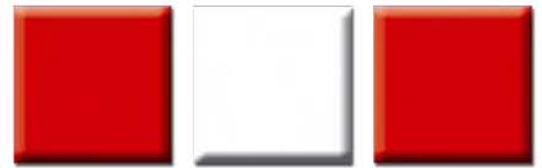


Surface Effects of Longwall Mining - Long Section ▲



Surface Effects of Longwall Mining - Cross Section ▲

GUIDE TO DESIGN MINE SUBSIDENCE



Design for Horizontal Displacements

Horizontal movements due to mining occur in such a way that points on the surface move in towards the centre of the subsidence trough. Differential movements result in strains. Overall horizontal movements are generally small except where there are unusual topographical features such as steep slopes, gorges or geological features.

Design for Horizontal Strain

Ground strains occur as a result of differential movement between two points causing a change in length of the surface between the two points. If the length of the surface increases, a tensile strain is induced and if the length of the surface reduces, a compressive strain is created.

Both tensile and compressive strains can generate damage in buildings. In most buildings, the materials are generally weaker in tension than compression, hence tensile forces are the more difficult to accommodate.

Tensile strains can cause cracks in brickwork, internal linings such as plasterboard, pulled joints in pipework, cracks and separation of joints in paving.

Compressive strains can cause spalling of brickwork, crushing of components, closure of door and window openings, buckling of materials, buckling of pipes, paving and other components.

Not all strain in the ground will be transferred into the structure. This is due to a number of factors including foundation type, ground material, the presence of sliding layers, the location and orientation of the mining in relation to the structure and so on.

In general terms, ground strains are transferred into footing systems by friction beneath and beside the footing elements. The obvious solution, therefore, is to reduce such friction and - wherever possible - separating the footing structure from the soil. This may be achieved by providing a slip layer between the structure and the ground to allow the ground to move without damaging the structure.

Footings can be designed to minimise the effect of strains on the superstructure by making them as shallow as possible and by placing them on slip layers. When deep foundations are unavoidable, the forces imposed can be reduced by excavating trenches around the structure. These trenches are placed as near as practical to, and extend to just below the underside of, the foundation. They can be backfilled with a compressible material which is strong enough to support the sides of the excavation but more compressible than the natural soil. This fill will crush and not transfer all of the forces to the foundation. Coke, slabs of expanded polystyrene foam, vermiculite, cork and void formers have been used for this purpose.

Various techniques have been used to allow footings to slip relative to the foundation material. The sides and bottoms of footings

and slabs are kept as smooth as practical and are often poured on slip layers that incorporate plastic or bituminous membranes over layers of granular materials (sands). Exaggerated slopes are used on transition zones between stiffening beams and slabs to facilitate shearing actions.

The use of concrete slab on ground footing systems is now close to 90% in NSW with the emergence in recent years of the waffle raft system as the preferred reinforced concrete slab footing system. This is a fortunate outcome as the waffle raft system is ideal as a mechanism for isolation of the superstructure from horizontal ground strains.

Design for Curvature

Curvature results from differential settlement across the ground surface and is considered the most damaging of the mine subsidence parameters to impact on a building. Curvature is normally defined by the deflection ratio or the radius of curvature.

In practice, damage from mine subsidence will often be a result of the combination of curvature and ground strains.

The effects of ground curvature can be minimised by panelling and articulating walls to move without developing strains or cracks or causing doors and windows to jam. Vertical articulation joints are provided at appropriate intervals and at sections where the wall stiffness changes. Damage due to curvature can also be minimised by eliminating brickwork above windows, doorways and arches. If such details are included, special attention must be paid to provision of bond beams and strengthening panels that incorporate arches.

Design for Tilt

Ground tilt results from a differential vertical subsidence between two points that changes the slope of the surface between the two points. Ground tilts that occur during the course of mining operations may be either a temporary or permanent phenomenon depending on their location in reference to the subsidence trough.

Structures subject to tilt are only adversely affected if they remain in a significant permanent tilt at the conclusion of subsidence. This normally occurs when a structure is located on the edge of the subsidence trough.

Small tilts generally do not affect the usage of a building and can be catered for by providing such things as generous falls for services. Tilts over 7 mm/m will start to affect the serviceability of the building and the type of construction will be restricted to allow economical repair. Suspended flooring systems can be relevelled economically where access is available to the supporting bearers and joists.

If sufficient ceiling height has been provided in the original design, and if appropriate detailing has been adopted, it may be possible to relevel floor slabs by adding a topping layer to recover original grades.

Domestic floor slabs are not normally strong enough to withstand releveling by jacking. Other types of slabs may be designed with jacking points and sufficient strength to be relevelled after subsidence.

Considerable research effort has been expended in recent years in relation to designing footing systems that are capable of being relevelled if unacceptable tilts result from mining operations. This research will continue in an attempt to find solutions to the releveling issue.

Combined Effects

In reality the damage that occurs to a building is a result of a combination of some or all of these parameters. The deformation of the ground surface as a result of subsidence can lead to both curvature and strain affecting a structure with the possibility of tilts affecting the serviceability.

Generally a building should be designed taking a conservative approach and assuming a full transfer of strains and displacements from the ground to the structure.

OTHER REQUIREMENTS

Pothole Type Subsidence

Where movements of the ground surface occur over old shallow abandoned underground mine workings it can result in a localised depression or 'pothole' in the surface. The majority of these types of subsidence are generally small, however, the design parameter used by the Board is for a potential pothole up to 5 metres in diameter.

For further information on designing for pothole subsidence refer to the Mine Subsidence Board brochure "Designing For Pothole Subsidence".

MINE SUBSIDENCE BOARD REQUIREMENTS

Approval must be obtained from the Mine Subsidence Board prior to any building activity or extensions for sites within Mine Subsidence Districts. The Board may grant unconditional approval of the application or stipulate certain conditions that must be met prior to final approval. In some extreme cases, where the risk of mine subsidence damage is too great, the Board may refuse a building application.

Architectural plans submitted to the Mine Subsidence Board for approval must show the location and detailing of articulation/control joints in brickwork to comply with the requirements of the Building Code of Australia and best building practices.

Please contact any of the Board's offices for further information and advice.

PRACTICE

It is essential that good building practice be complied with in conjunction with any design features. The correct placement and detailing of articulation joints, detailing of brickwork above windows and doors, internal wall detailing and so on are all important to achieve a structure that is capable of handling the subsidence movements.

Some publications relevant to the description and implementation of these best practice procedures are referenced below.

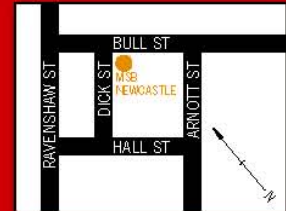
- 1) Technical Note 61 - "Articulated Walling", Cement and Concrete Association of Australia
- 2) Techniques 11 - "Articulation Joints & Control Gaps for Full Brick Houses", Clay Brick and Paver Institute
- 3) Australian Standard AS2870
- 4) The Building Code of Australia

REFERENCES

- 1) R.G. Hanson, "Designing For Subsidence", Mine Subsidence Board Annual Review 1988-89.
- 2) Holla L., "Mining Subsidence in New South Wales - 2. Surface Subsidence Prediction in the Newcastle Coalfield." NSW Department of Mineral Resources.
- 3) Australian Standard AS2870.
- 4) The Building Code of Australia.

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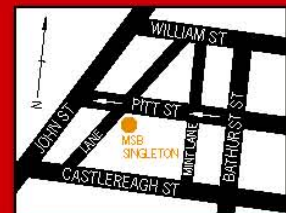
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LODGING A BUILDING APPLICATION

Under the Integrated Development Assessment process, your local council is intended to be a 'one-stop-shop'. You lodge your application with them, they refer it to other approving authorities (such as the Mine Subsidence Board) and the council advises all conditions of approval in the Development Consent. You may have the option of using an Accredited Certifier for assessment of your final plans and to obtain your Construction Certificate from council. Check with your council for details.

Step 1

Prior to having plans drawn, contact the local office of the Board to find out if your property is in a Mine Subsidence District. You will be advised of the surface development guidelines that apply to the property.

Step 2

Lodge an application for approval with your council. In some cases, applications may be lodged directly with the Board. Application forms are available from all Board offices and local councils.

If lodging your application at one of our offices, you will need to provide the number of plans required by your local council, plus one A3 copy to be retained for our records. Improvements must be built in accordance with the Board's approval to be eligible for compensation. We encourage electronic lodgement of plans, preferably in PDF format.

You also need to specify on the application the relevant property details, including the lot or portion, deposited plan, section number (if applicable), house number, street, suburb or town. These are all usually contained in your council rate notice.

Location plans are required for rural properties in order that the building site can be clearly identified in relation to mining.

There is no fee for the Board's processing of your building application, and it will normally be processed within five working days.

Step 3

Under the Integrated Development Assessment system, your council Development Consent will advise all conditions of approval, or of refusal. If you go direct to the Board, we will advise you when the application has been processed so you can collect your plans to lodge with council.

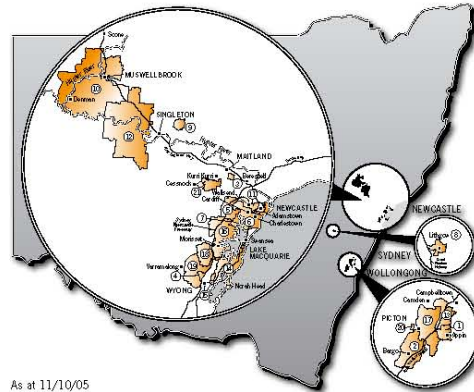
MAJOR BUILDINGS

Applicants intending to develop major structures or large scale developments should contact the Board at the preliminary planning stage.

The Board's expert staff would be pleased to assist you with further enquiries or provide you with any of our other brochures.

MINE SUBSIDENCE DISTRICTS

- | | |
|----------------------------------|---|
| 1 Appin | 11 Newcastle |
| 2 Bargo | 12 Patrick Plains |
| 3 East Maitland | 13 South Campbelltown |
| 4 Hue Hue | 14 Swansea - North Entrance |
| 5 Killingworth/Wallsend | 15 Swansea - North Entrance No. 1 Extension |
| 6 Lake Macquarie | 16 West Lake |
| 7 Lake Macquarie No. 1 Extension | 17 Wilton |
| 8 Lithgow | 18 Mandalong |
| 9 Mitchell's Flat | 19 Wyong |
| 10 Muswellbrook | 20 Picton |
| | 21 Tomalpin |



As at 11/10/05

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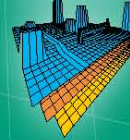
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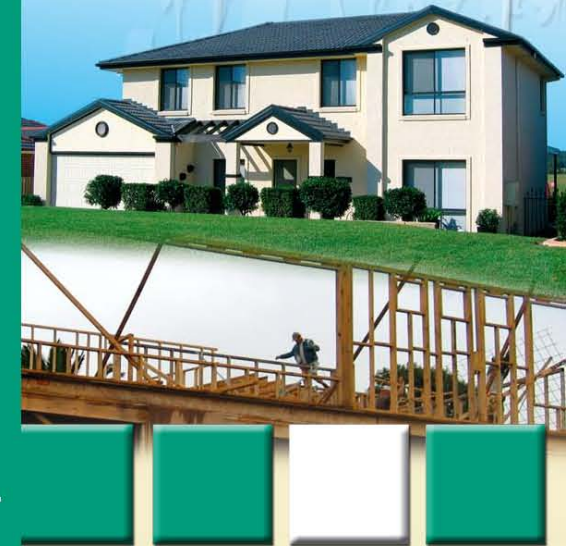
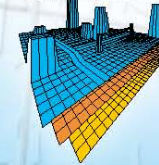
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BUYING PROPERTY & BUILDING IN A MINE SUBSIDENCE DISTRICT

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BUYING PROPERTY & BUILDING IN A MINE SUBSIDENCE DISTRICT



THE BOARD'S ROLE IN THE COMMUNITY

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The Act also makes the Board responsible for reducing the risk of mine subsidence damage to properties by assessing and controlling the types of buildings and improvements which can be erected in Mine Subsidence Districts.

Other important roles are the elimination of public and private danger caused by mine subsidence and the provision of a comprehensive and accessible advisory and technical service.



SURFACE DEVELOPMENT GUIDELINES

These development controls involve the Board setting subdivision, building and construction guidelines, which are developed and introduced for the protection of homeowners. They are designed to ensure that homes and other structures will tolerate the expected levels of subsidence, thus minimising the risk of being damaged.

Guidelines set by the Board cover both the nature and class of improvements and include the height of a building, the type of building materials used and the construction methods.

Construction guidelines vary from area to area depending on the coal mining activity and the expected amount of subsidence.

It is mandatory to obtain the Mine Subsidence Board's approval to subdivide or erect or alter any improvements on land that is within a proclaimed Mine Subsidence District.

However, where a council does not require a building application, the Board will deem approval for those improvements.

Buildings built outside of and prior to the proclamation of a Mine Subsidence District are automatically covered for compensation. However homes and other structures built in contravention of, or without, the Board's approval, in a Mine Subsidence District, are not eligible for compensation in the event of damage due to mine subsidence.

BUYING A PROPERTY

When purchasing a home, it is important to ascertain that all buildings are eligible for compensation. This enquiry is made in the normal course of conveyancing.

As a service to home and land owners and prospective buyers, the Board provides advice and issues certificates, at a prescribed fee, which form part of a legal property search.

CERTIFICATES

Section 149 Certificate

Early notice as to whether a property is within a Mine Subsidence District or not is shown on a Section 149 Certificate, which must be attached to a Contract of Sale when a property is put on the market. Local councils issue the certificate, which is sometimes known as the "Zoning Certificate".

It is important to read the 149 Certificate, because if a property is in a Mine Subsidence District, you need to get more information from the Mine Subsidence Board. For example, you should seek an assurance that the property qualifies for compensation (a 15B Certificate) and if you have any thoughts about building, request a guideline letter.

If a property is located within a Mine Subsidence District, the Board can advise what, if any, property development guidelines are in force.

These guidelines are detailed in writing and may stipulate:

- Types of materials which may be used in construction
- Number of storeys and maximum height
- Types of footings and reinforcement required
- Any special conditions

NB Surface development guidelines are valid at the date of issue only and may vary according to future mining proposals.

Section 15B Certificate

Many financial institutions will not advance money to purchase a home in a Mine Subsidence District unless a Section 15B Certificate has been obtained.

This certificate indicates that the Board's requirements, in relation to the improvements and subdivision, have been complied with.

It is an assurance that all such improvements are eligible for compensation in the event of mine subsidence damage occurring.

The Board may refuse to issue a 15B Certificate for structures built in contravention of or without approval.

Section 15C Certificate

This certifies whether or not a claim has previously been paid or is pending in respect of mine subsidence damage to a property.

Requests for Certificates

Applications received by the Board must contain all relevant property details including the lot or portion, deposited plan, section number (if applicable), house number, street and suburb. Location plans are sometimes required in the case of rural properties.

To aid solicitors in conveyancing, the Board is a participant in the Lawpoint and Land Titles Office enquiry services.

Intending purchasers should ensure that they are aware of the meaning of the certificates, and are encouraged to contact the Board if they require assistance or further information.

FUTURE BUILDING ACTIVITY

Purchasers must obtain approval from the Board prior to any future building activity or extensions within a Mine Subsidence District. Contact any of the Board's offices for information and advice.

BUILDING

Depending on the guidelines in place for the District, the Board may grant unconditional approval, stipulate certain conditions or, in some cases where the risk of damage is too great, refuse approval.

Conditions That May Be Imposed

Conditions to reduce the risk of damage may include:

- Restrictions on the types of building materials used.
- Use of control joints for articulation of larger improvements with a restriction on the maximum length of masonry or concrete sections.
- Footings or other specified components of the building to be designed and certified by qualified engineers.
- A maximum height of foundation brickwork.
- Footing trenches and swimming pool excavations complete with reinforcement, to be inspected by an officer of the Board prior to pouring concrete. The minimum footing system required should comply with AS 2870.
- Submission of a satisfactory site investigation report prepared by a qualified geotechnical engineer.

DEEMED APPROVALS

To speed up the approval process, some council officers are authorised to approve things like:

- Garages, sheds, fences, carports and awnings constructed of lightweight material.
- Recladding of external walls with lightweight materials
- Above ground and fibreglass pools
- Specified additions to existing dwellings



An information leaflet on Appeal Rights and Review Procedures is available from the Mine Subsidence Board.

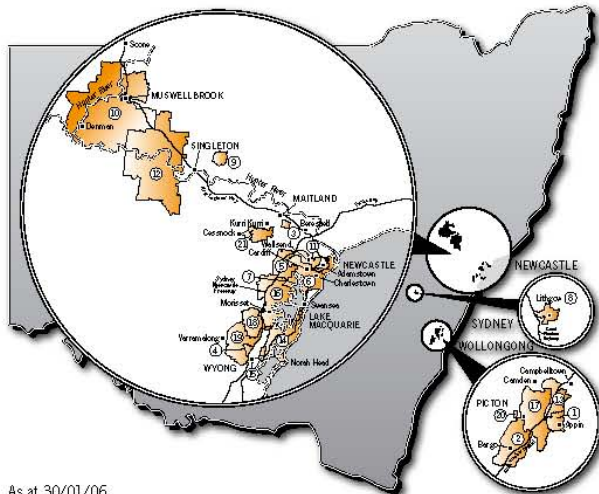
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As at 30/01/06

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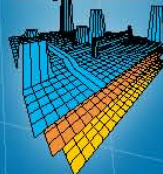
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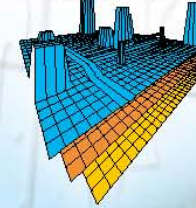


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PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST



CLAIMING FOR MINE SUBSIDENCE DAMAGE



PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

CLAIMING FOR MINE SUBSIDENCE DAMAGE

CLAIMING FOR MINE SUBSIDENCE DAMAGE

The Board's Role in the Community

The Mine Subsidence Board is a service organisation operating for the community in coal mining areas of NSW. It is responsible for administering the Mine Subsidence Compensation Act. The Act provides for compensation or repair services where improvements are damaged by mine subsidence resulting from the extraction of coal.

The Act also makes the Board responsible for reducing the risk of mine subsidence damage to properties by assessing and controlling the types of buildings and improvements which can be erected in Mine Subsidence Districts.

Other important roles are the elimination of public and private danger caused by mine subsidence and the provision of a comprehensive and accessible advisory and technical service.



COAL MINE SUBSIDENCE

In any area where underground coal mining takes place there is the possibility that subsidence may occur, dependent upon the amount of coal extracted. The subsidence can be predicted and allowed for in the design of modern homes and structures.

The approval to mine is controlled by the Department of Primary Industries - Minerals through a comprehensive application process, which includes consideration of existing surface development.

The amount of subsidence will influence the extent of damage, if any, that may occur. Experience shows common damage to include hairline cracks to walls and cornices, and fine cracks to brickwork. In some buildings, the operation of doors and windows may be affected by tilt.

Damage to homes and structures can also have many other causes. For example, the presence of reactive soils, poor building practice and maintenance, nearby trees, timber shrinkage and brick growth.

In NSW, if a home or other improvement is damaged as a result of subsidence following the extraction of coal, the owner's rights are protected by the Mine Subsidence Compensation Act.

What You Can Claim For - Claims can be made for damage to improvements, which includes all types of construction, and for damage to household and other effects. Examples include: homes, swimming pools, sewer pipes, patios, fences, retaining walls, conveyor belts, roads, railway lines, transmission towers, and bridges.

Lodging a Claim - Home owners who believe that their improvements have suffered damage should contact their nearest Mine Subsidence Board office without delay and request a claim form. This form must be lodged by the owner within 12 months of the damage becoming known. Care should be taken to include all information required, particularly a full property description and brief details of the damage, as well as a contact telephone number. See our website for our Privacy Statement.

The sooner the claim is lodged, the easier it is to determine the exact cause of damage and to prevent, where possible, further damage.

Anyone who considers such damage represents a potential danger to themselves, their family or the public should contact the Board by telephone without delay.

During business hours, contact any of the Board's offices, or after hours use the emergency number. Details are listed on the reverse of this brochure.

Investigation of a Claim - On receipt of a claim a technical officer checks records to determine whether a property is undermined or within the zone of influence of mining.

If this is the case, the claimant will be contacted by a technical officer, who is a qualified builder/clerk of works experienced in subsidence damage, to arrange a convenient time for a joint inspection of the damage. It may

be necessary to carry out tests and further investigations at the site. An assessment, report and recommendations will then be prepared.

At all stages of the process, the owner is consulted and kept informed of findings in easy to understand terms.

Acceptance of a Claim - Once a claim is accepted, the Board may offer the owner the option of having repairs carried out by the Board's contractors or of having the Board provide a financial settlement.

The usual practice is for the Board to arrange, supervise and pay for the repairs, using its qualified and experienced staff. They consult the owners about the scope and timing of repairs, colour schemes and any other relevant matters.

Sometimes final repairs must be deferred because subsidence is not complete. Temporary repairs are made to ensure that the property remains safe and serviceable. On rare occasions, temporary alternate accommodation may be provided, but our experience shows that most people want to stay in their own homes.

In special cases, the Board may offer to purchase a damaged property. The offer to purchase would be at market value, as if no mine subsidence damage had occurred.

Refusal of a Claim - Not all claims are accepted. Under the Act, the Board is only empowered to compensate property owners for damage arising from subsidence resulting from the extraction of coal.

If the property is not undermined nor in a zone of mining influence, then a claim cannot be accepted unless mining induced vibrations are involved. This information is quickly obtained from the Board's comprehensive library of mining maps, which may be inspected by the claimant.

Buildings built outside of and prior to the proclamation of a Mine Subsidence District are automatically covered for compensation. However, homes and other structures built in contravention of, or without, the Board's approval in a Mine Subsidence District, are not eligible for compensation in the event of damage due to mine subsidence.

If investigations reveal that damage has been caused by effects other than mine subsidence, the claim must also be refused.

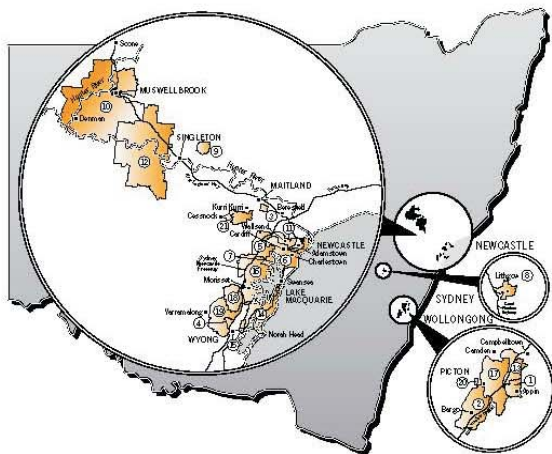
Reviews and Appeals - Should a claimant wish to challenge a refusal they may:

- Request an internal review. In such cases the Board instigates a full reinvestigation of the matter. The claimant is given the opportunity to make submissions and appear before the Board.
- Appeal to the Land and Environment Court. Any claimant may appeal against a refusal of a claim or the amount of compensation assessed within 60 days of being notified. Appeals are heard under Class 3 of the Land and Environment Court Act 1979, and further information about appeals is available from the Board or the Court.



MINE SUBSIDENCE DISTRICTS

- | | |
|-------------------------------------|--|
| 1 Appin | 11 Newcastle |
| 2 Bargo | 12 Patrick Plains |
| 3 East Maitland | 13 South Campbelltown |
| 4 Hue Hue | 14 Swansea - North Entrance |
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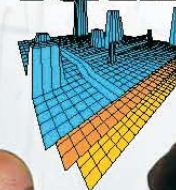
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AND THE NEEDS
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GUARANTEE OF SERVICE

**MINE
SUBSIDENCE
BOARD**



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GUARANTEE OF SERVICE

GUARANTEE OF SERVICE

Role of the Mine Subsidence Board

The Mine Subsidence Board has two principal responsibilities to the people of NSW:

- 1. To provide for payment of compensation for damage to improvements on land anywhere in NSW, caused by mine subsidence following the extraction of coal or shale.*
- 2. To control surface development within Mine Subsidence Districts where all subdivisions of land and all applications to erect or alter improvements require the Board's approval.*

The Board also has a role to eliminate danger to the public caused by subsidence and to provide information on aspects of subsidence and its effects.



GUARANTEE OF SERVICE

In the performance of our Charter, the Mine Subsidence Board is committed to providing the people of NSW with quality service delivered in a reliable, responsible and fair manner.

Our Guarantee of Service ensures this statement is fulfilled through:

- all staff taking responsibility for ensuring a high standard of service
- adoption of quality management principles
- the provision of information brochures detailing the Board's services
- liaising with the community through public forums, displays and residents meetings
- encouraging feedback from the community
- maintaining an up-to-date technical base

To ensure this commitment is met, significant initiatives have been put in place.

STANDARDS OF SERVICE

- We aim to reply to or acknowledge all correspondence within two weeks by letter or by telephone.
- A contact name and telephone number will be provided in all correspondence.
- Time of response for building applications and certificates will be such that 95% are processed within five working days. Re-zonings, subdivisions and claims may take longer to resolve, but an initial contact will be made within seven working days.
- Only licensed tradespeople will be contracted to effect repairs on behalf of the Board.

STANDARDS OF BEHAVIOUR

- Employees of the Mine Subsidence Board are at all times expected to act in a manner consistent with the high standard required to meet the Board's Code of Conduct.
- The Board's representatives will identify their name and, where appropriate, their position, in all dealings with the public. Courteous telephone techniques will be utilised at all times.

MULTICULTURAL RELATIONS

The Mine Subsidence Board will provide interpreter services free of charge to people of non-English speaking backgrounds. Basic information on the Board's role is available in a number of community languages.

The Board has prepared a Statement of Intent under the NSW Charter of Principles for a Culturally Diverse Society.

PRE-MINING INSPECTIONS

As a guarantee of service, the Mine Subsidence Board will offer to carry out pre-mining inspections of residential areas, where predetermined subsidence parameters may be exceeded, to establish the pre-mining conditions of improvements likely to be damaged by mining.

The Board may also undertake pre-mining inspections in areas not covered by the above to address genuine public concern or specific subsidence issues. Property owners will be provided with a written report upon completion of a pre-mining inspection.

A copy of the policy is available from the Board's District Offices.

EMERGENCY SERVICE

The Mine Subsidence Board will provide a 24 hour emergency on call service for elimination of danger.

An emergency services brochure is made available to emergency services providers.

COMMITMENT TO IMPROVING OUR SERVICES

Information

The Mine Subsidence Board has developed and regularly updates, publications designed to keep the general public, local government, industry and involved professions fully informed on the Board's role, services and mine subsidence issues.

The Mine Subsidence Board will readily provide information on building guidelines in proclaimed Mine Subsidence Districts, assistance with building design, details of mining activity, and endeavour at all times to provide open and frequent communications with the public.

Suggestions and Complaints

The Mine Subsidence Board has a commitment to improving its services and welcomes any suggestions and the opportunity to address complaints that members of the public may have.

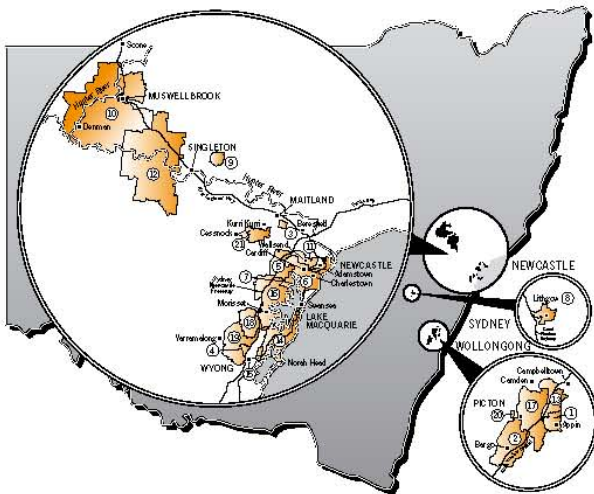
The Board will regularly monitor public satisfaction with its services by way of surveys and will ensure that all steps are taken to maintain a high level of customer service.

The Board has established frontline complaint handling procedures, which ensure the person you initially contact will follow the matter through. Our experienced staff at each District Office are happy to assist with any complaint you may have involving the Mine Subsidence Board.

See our website for our Privacy Statement.

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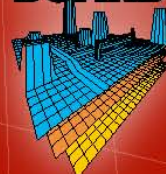
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MINE SUBSIDENCE BOARD APPEAL RIGHTS AND REVIEW PROCEDURES

**MINE
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APPEAL RIGHTS AND REVIEW PROCEDURES

APPEAL RIGHTS AND REVIEW PROCEDURES FOR CLAIMS

If your claim for mine subsidence damage has been refused, or you are dissatisfied with the amount of compensation, you have two avenues of review:

- 1. Request the Board to conduct an internal review of the claim; or*
- 2. Lodge an appeal with the Land and Environment Court.*



The amount of compensation includes the amount you feel is needed to cover the cost of completing or "making good" any repair work carried out by the Board.

Because licensed tradespeople are used by the Board, the Department of Fair Trading is another avenue to secure redress if you feel that repairs are incomplete or inadequate.

The Ombudsman may also be able to assist.

Your first action though, should be to clearly and calmly state the reasons for dissatisfaction to the Board's officers.

INTERNAL REVIEWS

These reviews cost you nothing, involve a fresh investigation of your claim and the report is considered by the Board of Directors at a monthly meeting.

The procedures are:

- Your claim is fully reinvestigated by one of the Board's senior officers, who has not previously been involved. That officer will then report his conclusions to the Board together with a recommendation.
- In some cases external consultants are engaged by the Board to assist in some aspects of the investigation.
- All reports are presented to the Board of Directors with recommendations, for their consideration.
- You may make submissions to the Board in writing, or request to appear in person at the Board Meeting, to state your case.
- The Board of Directors will then formally review the claim and advise you of their decision.

LAND AND ENVIRONMENT COURT APPEALS

The Mine Subsidence Compensation Act 1961 allows you to appeal to the Land and Environment Court against a decision of the Board:

- when claiming for damage, whether the damage has been caused by subsidence; or
- when claiming for expenses to prevent or mitigate damage, whether damage could reasonably have been anticipated; or
- when compensation has been paid, about the amount paid.

You can appeal to the Land and Environment Court regardless of whether you choose to request an internal review by the Board.

Appeals to the Land and Environment Court are conducted as Class 3 Appeals. They may be heard by a Judge or by an Assessor. You have sixty (60) days from the date of notification of the Board's final decision to lodge an appeal with the Court.

Normal procedure in the Court is that a call-over date is assigned. At that call-over the Board and you will both be required to specify the issues involved and the names of witnesses to be called to give evidence. The appeal is then allocated a hearing date.

Alternatively, the matter may be resolved at a preliminary conference or the Court's Registrar can act as a mediator.

The Court is conducted on an informal basis where possible, and claimants representing themselves are assisted in presenting their case. Costs of these appeals are usually awarded by the Court.

If you are considering an appeal, we advise you to contact the Court for further information and details.

All relevant documents relating to your claim are available to you on request, at no cost. Copies of Land and Environment Court appeal forms are available from their website or:

Land and Environment Court

Level 4, Windeyer Chambers
225 Macquarie Street
Sydney 2000

Telephone: (02) 9228 8388

Website: www.lawlink.nsw.gov.au/lec

Secretary Mine Subsidence Board

117 Bull Street
Newcastle 2300

Telephone: (02) 4908 4300

Information regarding Court procedure is provided as a guide from information provided by the Land and Environment Court, and may be subject to change without notice.

The Mine Subsidence Board will provide interpreter services free of charge to people of non-English speaking backgrounds.

See our website for our Privacy Statement.

ILLAWARRACOAL

Pride, passion, performance



Keeping you informed

THIS MONTH WORK IS NEARING COMPLETION FOR SUBMISSION TO GOVERNMENT OF THE ENVIRONMENTAL ASSESSMENT (EA) OF ILLAWARRA COAL'S BULLI SEAM OPERATIONS PROJECT. EXPECTED TO BE SUBMITTED TO THE NSW MINISTER FOR PLANNING IN AUGUST, THE EA WILL ADDRESS FUTURE MINING OPTIONS ASSOCIATED WITH THE APPIN AND WEST CLIFF MINING AREAS FOR THE NEXT 30 YEARS.

IN OTHER NEWS PICTON HIGH SCHOOL HAS TAKEN DELIVERY OF EQUIPMENT FUNDED BY OUR COMMUNITY PARTNERSHIPS PROGRAM THAT WILL ASSIST THE SCHOOL IN THEIR QUEST FOR SUPREMACY IN THE F1 IN SCHOOLS INNOVATION DESIGN COMPETITION.

Picton High benefits from Community Partnerships Program

Illawarra Coal has given more than just cash to Picton High School by setting up a mentoring program that will assist students competing in the F1 in Schools Innovation Design Challenge, an international competition where students design and race miniature Formula 1 cars to see which is the fastest and best engineered.

In February Illawarra Coal's Community Partnerships Program (CPP) provided funding to the School to buy equipment to build the miniature F1 cars for entry in the competition.

Not stopping there, three graduate engineers have gone from the coal face to the classroom to assist the school in its quest to win the Australian National Final in November.

Picton High Teacher, Tony Lane said the school was thrilled to receive the funds but was also interested in connecting his students with industry leaders like Illawarra Coal to open up opportunities both now and in the future.

For the graduates it's a chance to get back to basics and help the school's young people achieve their dreams.

"It's great to be a big kid again," mechanical engineering graduate, Luke Davis said at the thought of being involved in building model cars.

Picton High made it to the State Final of the competition last year on their first attempt. As a regional school it was hard for them to access equipment previously shared between five other schools. The funds from the CPP have gone toward a set of equipment which will be stored at Picton but can be accessed by other schools.

The Illawarra Coal Community Partnerships Program accepts applications from a wide variety of projects and is funded by a contribution of three cents per saleable tonne of coal from the Appin and West Cliff mines.

BELOW: Picton High has received funding from the Illawarra Coal Community Partnerships Program to assist with their F1 in Schools Innovation Design Challenge. Pictured are: (from left) Picton High School student, Sam White (Year 10), Illawarra Coal Graduate Electrical Engineer David Byrne, Picton High School student Rae-Louise Enno (Year 10) and Illawarra Coal Graduate Mechanical Engineer Luke Davis.



Bulli Seam Operations Project nearing submission

Illawarra Coal is currently finalising the Environmental Assessment for consideration by the NSW Minister for Planning of a Part 3A application for our continued mining operations in the Bulli coal seam (we currently mine the Bulli Seam at Appin and West Cliff Mines). This is called the Bulli Seam Operations Project.

If approved, this step in the approval process will regulate the Company's mining operations in the area for some 30 years.

The Company has consulted with a number of key stakeholders in relation to the Project including a Community Reference Group (CRG) established for the

project. The reference group comprises representatives of the following communities: Wilton, Douglas Park, Wedderburn, Menangle, Pheasants Nest, Razorback, Douglas Park and Appin.

The Environmental Assessment will include proposed mining areas of Appin and West Cliff mines for the next 30 years. Details relating to configuration of longwalls, are yet to be finalised, but will be incorporated in the Company's final submission which is expected to be on public exhibition in October 2009. The NSW Department of Planning will advertise the public exhibition period, invite submissions, and provide details of how submissions can be made.

ILLAWARRA COAL AN UPDATE



This newsletter

As you may be aware Illawarra Coal began writing to you last year regarding the Company's application for an exploration licence, which was subsequently granted in November 2008 (Licence 7249). During the course of discussions and communications with the residents of Wedderburn we have become aware of some issues that require further clarification. The purpose of this newsletter is to provide some information regarding these issues and to provide you with an update on the exploration activity. If you require further information regarding anything in this information sheet please contact: Rosanne Moore, 02 42553336, or email Rosanne.Moore@BHPBilliton.com

WHAT DOES ILLAWARRA COAL DO?

Illawarra Coal currently operates three underground longwall mines – Dendrobium, Appin, and West Cliff to produce premium quality coking coal for steelmaking. Our coal is mined from two of Australia's richest coking coal seams – the Wongawilli coal seam, and the Bulli coal seam. Illawarra Coal's Appin and West Cliff mines operate in the Bulli coal seam. Of these two mines, the operations of West Cliff are nearest to Wedderburn.

Mining in the Bulli coal seam occurs at about 550 metres underground. The mines are supported by surface facilities – West Cliff's

are on Wedderburn Road, off Appin Road; and Appin's facilities are situated near the village of Appin and also on Douglas Park Road, near Wilton. The primary product is a premium grade coking coal used for steelmaking – about 51 per cent is used domestically and about 49 per cent is exported.

The Company produces about 7 million tonnes of coal each year and employs 1000 local people directly and another 1000 local contractors. The flow-on employment benefits to the region are significant with a further five jobs created for each person employed.

ILLAWARRA COAL EMPLOYS CLOSE TO 2000 PEOPLE AND PRODUCES PREMIUM GRADE COKING COAL FOR STEELMAKING.

Below: Illawarra Coal produces premium quality coking coal for steelmaking.

Inside this Community News

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July

09

02 MINING LEASES

ILLAWARRA COAL'S BULLI SEAM MINES OPERATE IN TWO MINING LEASES.



Above: In the Bulli coal seam Illawarra Coal operates in two major mining leases.



Illawarra Coal's underground coal mines operate within existing Mining Leases which define the potential coal extraction area. In the Bulli coal seam the Appin and West Cliff Mines operate in two major Mining Leases. These are – CCL 767 and CCL 724. The lease nearest to Wedderburn is CCL 767 – which originally comprised a number of smaller leases (some more than 50 years old) was consolidated, renewed and gazetted as CCL 767 in 1991. The aerial photograph of Wedderburn on this page depicts the boundary of CCL 767 which, in relation to Wedderburn, captures a part of south-western Wedderburn nearest to the Georges River.

APPROVAL TO MINE

While a mining lease defines the potential coal extraction area, it alone does not allow mining to occur. Mining can only occur following approval from the NSW Department of Primary Industries of a Subsidence Management Plan. With changes to state planning laws it is also now a requirement for Illawarra Coal to obtain Project Approval from the NSW Minister for Planning under Part 3A of the Environmental Planning and Assessment Act to continue to operate its Bulli coal seam mines. Illawarra Coal is in the process of updating its approval to mine in the Bulli coal seam with preparation of a comprehensive environmental assessment for consideration by the NSW Minister for Planning (See item on page 3).

Preparation of a Subsidence Management Plan involves consultation with all relevant stakeholders including government agencies, individual property owners, traditional landowner groups and local government.

THE MINING LEASE ALONE DOESN'T NOW ALLOW MINING TO OCCUR – OTHER APPROVALS ARE REQUIRED INCLUDING THE NEW PART 3A APPROVAL FROM THE NSW MINISTER FOR PLANNING, AND A SUBSIDENCE MANAGEMENT PLAN FROM THE NSW DEPARTMENT OF PRIMARY INDUSTRIES.

 Mining Leases 767 & 724
 Exploration Licence 7249

PART 3A APPROVAL – BULLI SEAM OPERATIONS PROJECT

03

ILLAWARRA COAL AN UPDATE 09

Illawarra Coal is currently finalising the Environmental Assessment for consideration of a Part 3A approval by the NSW Minister for Planning for the continued operations of mining in the Bulli coal seam. This is called the Bulli Seam Operations Project.

If approved, this step in the approval process will regulate the Company's mining operations in the area for some 30 years. The Environmental Assessment will include proposed mining areas of the future operations of Appin and West Cliff mines for the next 30 years. The proposed mining areas are outlined in the enclosed information sheet. Further details of when mining will take place; possible configuration of longwalls; and in what area; are yet to be finalised, and would be subject to preparation and approval of Subsidence Management Plans.

To date the Company has consulted with a number of key stakeholders in relation to the Bulli Seam Operations Project and the wider community had opportunity to gain further information about this and other elements of Illawarra Coal's operations at a community

information day held in Douglas Park last year. In addition to this, three information sheets have been distributed to letter boxes in the mining areas identified in the Environmental Assessment. The latest of these is included with this newsletter. If you did not receive previous copies and would like copies, please contact Rosanne Moore on 4255 3336 or Rosanne.Moore@BHPBilliton.com.

Further to this, a Community Reference Group (CRG) has been formed for the Bulli Seam Operations Project which acts as a forum between community members, the Illawarra Coal team working on this project, and consultants assisting with preparation of the Environmental Assessment. The CRG includes a representative of the Wedderburn community.

Following submission of the Environmental Assessment it is anticipated that it will be on public exhibition in October 2009, providing opportunity for comment and submissions.

The Department of Planning will advertise the public exhibition and provide details of who to contact to provide a submission.

ILLAWARRA COAL IS PREPARING AN ENVIRONMENTAL ASSESSMENT FOR CONSIDERATION OF A PART 3A APPROVAL BY THE NSW MINISTER FOR PLANNING FOR ITS BULLI SEAM OPERATIONS.

Right: Illawarra Coal is finalising a complete Environmental Assessment for submission to the NSW Minister for Planning for Part 3A approval of its Bulli Seam Operations Project incorporating all relevant studies.



EXPLORATION LICENCES

The term "coal exploration" is used to describe the processes and methods used to search for economic deposits of coal beneath the earth. As you would be aware last year Illawarra Coal applied for and was granted an exploration licence in the area of Wedderburn.

As we explained at the time the West Cliff Mine, situated on Wedderburn Road (off Appin Road) and to the south east of the Wedderburn community, is nearing the end of its current mining area and in order to address the future for its employees and customers, the Company is now seeking to obtain more detailed information about the coal seam in areas nearby.

The exploration licence allows Illawarra Coal to conduct exploration activities only within a certain area, according to strict guidelines,

and will enable Illawarra Coal to assess the quality and features of the known coal reserve deep below the surface. Illawarra Coal holds a number of exploration licences in the Bulli and Wongawilli seam areas.

It is important to understand that actual extraction of the coal does not necessarily follow exploration activity. Uneconomic coal deposits or major breaks in the seam may be discovered during exploration which could lead Illawarra Coal to decide against future mining in the area. If the Company decides to pursue extraction of coal from the reserve, it must follow detailed approval processes which take time to complete. One of these processes includes making application for a mining lease in any areas where there is not already a mining lease.

The process towards mining from an exploration licence is as follows:

1. Apply for an Exploration Licence - Assessed by NSW DPI
2. Apply for Project Approval for Mining (via an Environmental Assessment) - Assessed by Minister for Planning
3. Apply for a Mining Lease - Assessed by NSW DPI
4. Prepare Subsidence Management Plan - Assessed by NSW DPI
5. Mine in strict accordance with conditions set out by each of the above.

IF THE COMPANY DECIDES TO PURSUE EXTRACTION OF COAL FROM THE RESERVE, IT MUST FOLLOW A RANGE OF DETAILED MEASURES WHICH TAKE TIME TO COMPLETE, INCLUDING MAKING APPLICATION FOR A MINING LEASE.

EXPLORATION, WEDDERBURN AND THE BULLI SEAM OPERATIONS

04

ILLAWARRA COAL AN UPDATE 09

PART OF WEDDERBURN IS COVERED BY AN EXPLORATION LICENCE, WHILE AN AREA TO THE SOUTH WEST IS COVERED BY A MINING LEASE.

In the Bulli Seam Operations Project information sheet accompanying this newsletter, you will notice that an area of southern Wedderburn is in the Bulli Seam Operations Project mining area.

This is for the future possibility that the Company might pursue mining through the processes outlined on page 3 should the exploration information prove it viable to do so. Again, it must be emphasised that this can only happen in an exploration area following Government approvals as outlined on page 3.

It should also be noted that if mining were to be pursued in the small section to the south west of Wedderburn (part of which is identified in the Bulli Seam Operations Project mining area) which is already in a mining lease, the approval process would involve firstly the granting of Project Approval by the NSW Minister for Planning and secondly the preparation and approval of a Subsidence Management Plan involving extensive consultation with all relevant stakeholders, including landholders in the area.

WHEN WILL THE COMPANY COMMENCE EXPLORATION?

As you might recall from previous correspondence the Company proposes to undertake vibroseis (truck-mounted machine) exploration along parts of Minerva/Lysaght, Blackburn and Exley Roads. The current proposal is to conduct this exploration later in this calendar year – pending machine availability. We will inform you when details are finalised.

Meanwhile, an exploration borehole will be completed in the area of Wedderburn, but within the existing Mining Lease CCL 767. The borehole will provide information regarding coal quality.

Illawarra Coal will provide an update to all residents by letter as exploration progresses and results become available.

VIBROSEIS ACTIVITY IS PROPOSED FOR LATER IN THE CALENDAR YEAR PENDING MACHINE AVAILABILITY.

Left: Illawarra Coal uses vibroseis technology to conduct seismic surveys.



ILLAWARRACOAL

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For further information or to provide feedback on this newsletter, contact:

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PO Box 514, Unanderra NSW 2526

Phone: 02 4255 3336

Fax: 02 4255 3201

Email: Rosanne.Moore@BHPBilliton.com

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ILLAWARRA COAL AN UPDATE



This newsletter

The purpose of this newsletter is to inform you of Illawarra Coal's preparation to submit an Environmental Assessment for consideration of a Part 3A approval by the NSW Minister for Planning for the continued operations of Illawarra's coal mining in the Bulli coal seam for the next 30 years. The Environmental Assessment covers a large geographical area which includes the area of Bingara Gorge.

This newsletter also aims to provide you with some information about Illawarra Coal, its mining leases, and its operations. It is designed to be read in conjunction with the enclosed Information Sheet.

If you require further information about anything in this newsletter, or the attached information sheet, please contact; Rosanne Moore, 02 4255 3336.

WHAT DOES ILLAWARRA COAL DO?

Illawarra Coal currently operates three underground longwall mines – Dendrobium, Appin, and West Cliff to produce premium quality coking coal for steelmaking. Our coal is mined from two of Australia's richest coking coal seams – the Wongawilli coal seam, and the Bulli coal seam. Illawarra Coal's Appin and West Cliff mines operate in the Bulli coal seam. Of these two mines, the operations of West Cliff are nearest to Wedderburn.

Mining in the Bulli coal seam occurs at about 550 metres underground. The mines are supported by surface facilities – West Cliff's

are on Wedderburn Road, off Appin Road; and Appin's facilities are situated near the village of Appin and also on Douglas Park Road, near Wilton. The primary product is a premium grade coking coal used for steelmaking – about 51 per cent is used domestically and about 49 per cent is exported.

The Company produces about 7 million tonnes of coal each year and employs 1000 local people directly and another 1000 local contractors. The flow-on employment benefits to the region are significant with a further five jobs created for each person employed.

ILLAWARRA COAL EMPLOYS CLOSE TO 2000 PEOPLE AND PRODUCES PREMIUM GRADE COKING COAL FOR STEELMAKING.

Below: Illawarra Coal produces premium quality coking coal for steelmaking.



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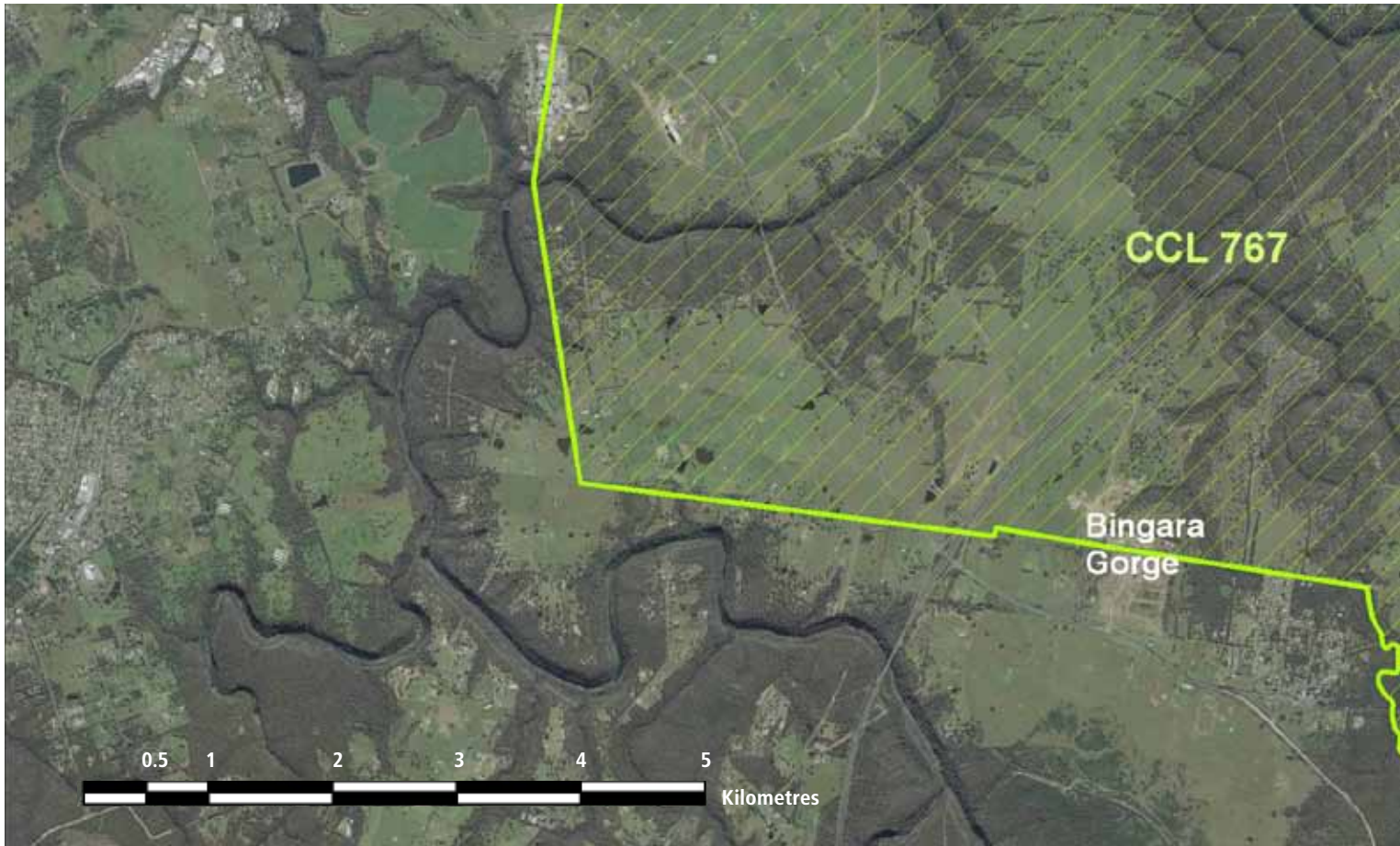
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02 MINING LEASES



ILLAWARRA COAL'S BULLI SEAM MINES OPERATE IN TWO MINING LEASES.

Illawarra Coal's underground coal mines operate within Mining Leases which define the potential coal extraction area. In the Bulli seam the Appin and West Cliff Mines operate in two major Mining Leases. These are – CCL 767 and CCL 724.

The lease which incorporates the area of Bingara Gorge is CCL 767 –renewed and gazetted as CCL 767 in 1991. The aerial photograph on this page depicts the boundary of CCL 767 in relation to Bingara Gorge.

Above: Illawarra Coal operates within two coal mining leases – CCL 767 and CCL 724. Lease CCL 767 is closest to the area of Bingara Gorge.

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mines. Illawarra Coal is in the process of updating its approval to mine in the Bulli Seam with preparation of a comprehensive environmental assessment for consideration by the NSW Minister for Planning (See item on page 3).

Subsequent approvals including a Subsidence Management Plan will involve further consultation with all relevant stakeholders including government agencies, individual property owners, traditional landowner groups and local government.

THE MINING LEASE ALONE DOESN'T NOW ALLOW MINING TO OCCUR – OTHER APPROVALS ARE REQUIRED INCLUDING THE NEW PART 3A APPROVAL FROM THE NSW MINISTER FOR PLANNING, AND A SUBSIDENCE MANAGEMENT PLAN FROM THE NSW DEPARTMENT OF PRIMARY INDUSTRIES.

PART 3A APPROVAL – BULLI SEAM OPERATIONS PROJECT

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To date the Company has consulted with a number of key stakeholders in relation to the Bulli Seam Operations Project and the wider community had opportunity to gain further information about this and other elements of Illawarra Coal's operations at a community

information day held in Douglas Park last year. In addition to this, three information sheets have been distributed to letter boxes in the mining areas identified in the Environmental Assessment. The latest of these is included with this newsletter. If you did not receive previous copies and would like copies, please contact Rosanne Moore on 42 553336 or Rosanne.Moore@BHPBilliton.com.

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The term "coal exploration" is used to describe the processes and methods used to search for economic deposits of coal beneath the earth.

An exploration licence allows a mining company to conduct exploration activities only within a certain area, according to strict guidelines, in order to assess the quality and features of the known coal reserve deep below the surface. Illawarra Coal holds a number of exploration licences in the Bulli and Wongawilli seam areas.

Right: Illawarra Coal is finalising a complete Environmental Assessment for submission to the NSW Minister for Planning for Part 3A approval of its Bulli Seam Operations Project incorporating all relevant studies.



BINGARA GORGE AND THE BULLI SEAM OPERATIONS PROJECT 04

ILLAWARRA COAL AN UPDATE 09



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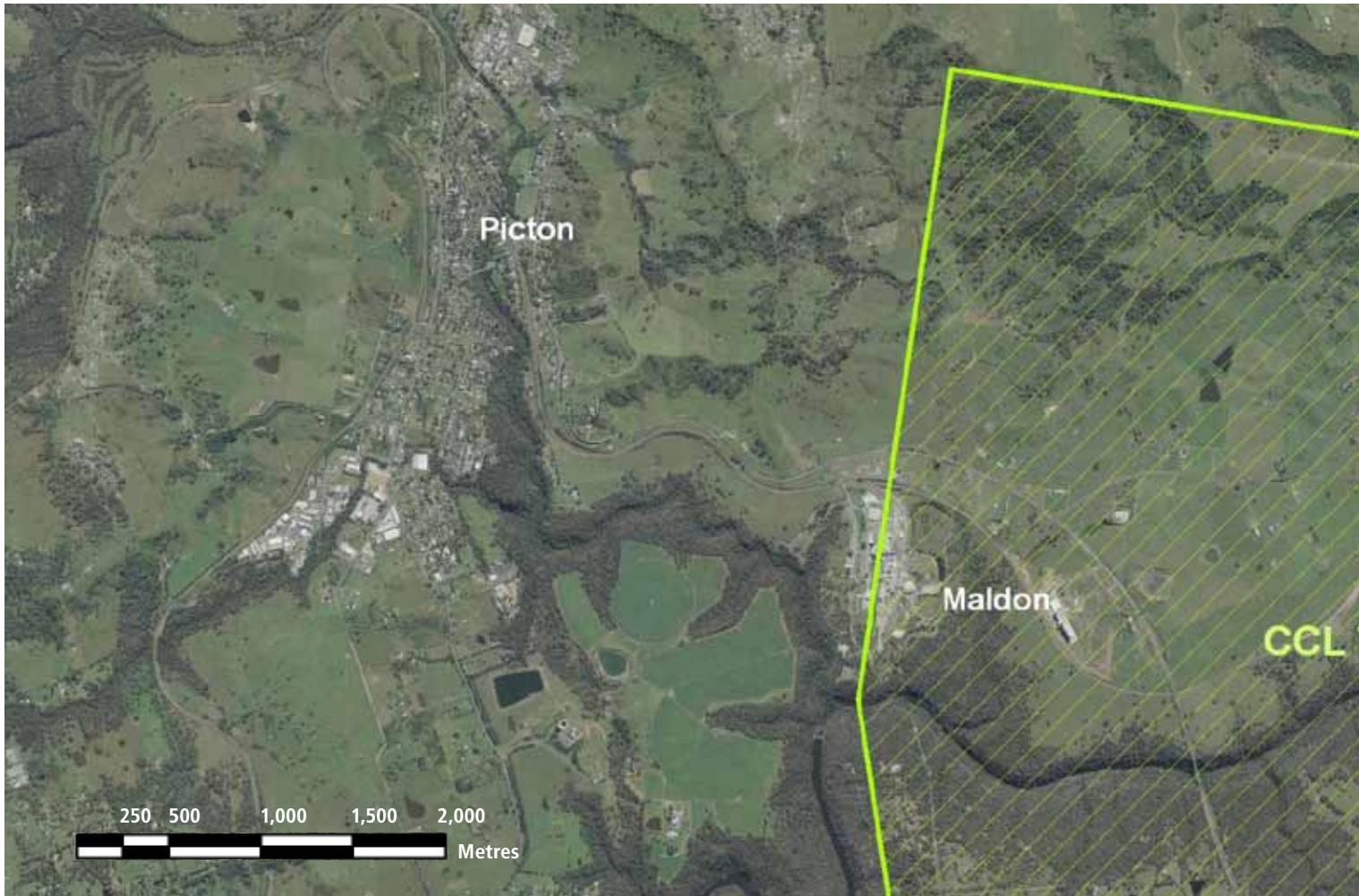
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July

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MALDON AND THE BULLI SEAM OPERATIONS PROJECT

04

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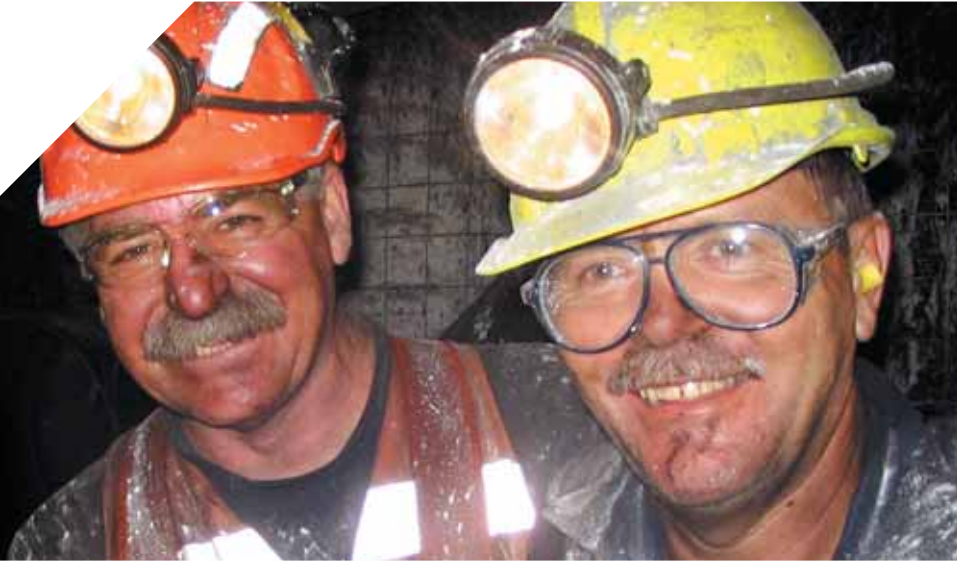
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ILLAWARRA COAL

2008 NEWS

The employee newsletter
of Illawarra Coal



Above: West Cliff employees Col Brennan and Kim Mackie.

Inside this Coal News issue

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RECORD BREAKING LONGWALL FOR WEST CLIFF MINE

Illawarra Coal's performance as a principal producer of premium quality, hard coking coal and leading contributor to local, regional, state and national economies has continued with our West Cliff mine recording its most productive longwall block (and most productive year) in the mine's 32-year history.

The extraction of Longwall 32, which commenced in February 2007 and is now nearing completion, has seen new daily, weekly, monthly, quarterly and yearly production records set. From February 2007, more than four million tonnes of raw coal has been produced from this longwall block.

Vice President - Operations, Jim Middleton said this remarkable achievement was the result of the excellent performance of everyone at West Cliff.

"This tremendous effort has been achieved through the hard work of all our employees, as well as support contractors and suppliers. Without everyone's help, this would not have been possible," Jim said.

"A focus on people completing their daily tasks in a planned, energetic and high standard way, has allowed the leaders at West Cliff to focus on improving the equipment, techniques and planning."

Jim believes that the dedication of West Cliff employees has benefited the mine and Illawarra Coal, and has helped to secure the Company's future.

"The overall demonstration of our core values, through an overriding commitment to Health, Safety, Environment & Community, as well as the courage to lead through continuous improvement & improving workplace standards, basing decisions on facts and the high performance initiatives show sustainability of improved performances," Jim said.

"Across Illawarra Coal I am heartened to see the same values being shown and the vitality that surrounds a safe, productive and values-driven business as demonstrated at West Cliff.

"The opportunity to keep improving all our operations in a similar vein is both exciting and satisfying regarding security for our people and associated businesses, as well as the significant contribution for the whole community."

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FROM THE PRESIDENT



Colin Bloomfield

PRESIDENT BHP BILLITON
ILLAWARRA COAL

Our current Total Recordable Injury Frequency Rate (TRIFR) is our best ever and that is due to your hard work and focus.

NOW THAT WE ARE NEAR THE END OF THE FINAL QUARTER OF OUR FINANCIAL YEAR IT IS APPROPRIATE TO REVIEW OUR PERFORMANCE AND WHAT WE NEED TO SET OURSELVES UP IN GOOD SHAPE FOR THE NEXT YEAR.

There have been a great many achievements in this year resulting in a good performance against many of our Key Performance Indicators. Particularly noteworthy are the following:

- Excellent Significant Incident (SI) reporting, investigation and review which is continually allowing us to identify and address risk in our business.
- Record low total recordable injury rates (TRIFR) with record low numbers of people actually hurt.
- Clean production tonnes ahead of budget.
- Earning before interest and tax (EBIT) ahead of budget.

As you know we have an overriding commitment to health, safety, environment and community and as part of that objective we strive to eliminate all injuries.

At the time of writing 104 people had suffered an injury serious enough to warrant some medical treatment. This equates to about 4.5 per cent of our total workforce (employees and contractors). Last year more than 150 people were injured, so I am sure you would agree FY08 is a big improvement! However, any injury is a concern and I will continue to strive for fewer injuries in our business.

I would like to mention West Cliff's strong production performance with Longwall 32. Breaking all records, this remarkable achievement resulted in

4 million tonnes of raw coal produced from the longwall in record time. Along the way the team at West Cliff have broken all their production records and reduced injuries across the site - a great result.

Dendrobium Mine and Dendrobium CPP have also broken production records - a great reward for lots of hard work and the significant investment the Company has made.

Looking to the year ahead I encourage everyone to maintain the focus on safety and meeting our production and development targets, continuing with the high quality and level of significant incident reporting. Incident reporting has been excellent this year and is leading to reduced risk levels in our business.

Underground roadway development remains our greatest challenge and is our breakthrough goal area on next year's plan.

We set target rates for the year, and although we achieved these in the first and fourth quarter, we failed to do so in the second or third quarters. Achieving these targets is absolutely critical and maintaining strong development rates is key to maximising our production success.

I thank everyone for your focus throughout the 2008 financial year. I am looking forward to the challenges of the year ahead, and urge everyone to embrace the challenges without compromising safety.

A handwritten signature in black ink, appearing to read 'Colin Bloomfield'.

Colin Bloomfield

ILLAWARRA COAL GETS BEHIND LOCAL SPORTING TEAMS

03

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08

THE 2008 ILLAWARRA FOOTBALL SEASON HAS KICKED OFF WITH AN EXTRA BOOST FROM ILLAWARRA COAL, WITH THE COMPANY ENTERING INTO A TWO-YEAR SPONSORSHIP OF THE REGION'S JUNIOR REPRESENTATIVE SQUADS - THE ILLAWARRA STINGRAYS (WOMEN) AND WOLVES JUNIORS (MEN).

Illawarra Coal committed to the sponsorship deal in the hope that this financial assistance would guarantee the successful operation and running of these junior local representative teams.

General Manager Sustainable Development and External Affairs, John Brannon said the Company was proud to be able to make the opportunity to play football in the region more affordable for local families.

"Illawarra Coal is delighted to support the young women and men who represent our region in the game of football, and provide these talented sporting stars with the opportunity to progress their skills to a national and international level," John said.

"Through our support of the squads and the connected learning programs offered by Wollongong FC, we hope that young people will aspire to the values that we hold, including; courage to lead, integrity and high performance."

Schools in the Wollondilly region are also set to benefit from the sponsorship through an educational program established by Wollongong FC. This unique learning program incorporates the key elements of sport to further students' understanding of other areas of their education, such as mathematics, health and fitness.

The two-year deal will see Illawarra Coal's name on the players' strip, representation on the Wollongong FC junior committee by Vice President Jim Middleton, and the presentation of a *Pride, Passion, Performance* award to outstanding players at the end of the season.

The sponsorship also provides Illawarra Coal employees with the opportunity to see the Senior Wollongong FC team in action with a number of tickets available to each home game until the end of July.

For more information regarding the availability of these tickets contact your site HR officer or Anne Edgar at the Administration Centre on 4255 3380.



Above: Vice President Jim Middleton (right) joined Wollongong FC Chief Executive, Jock Morlando to view the Illawarra Coal sponsored players' strip.

Planning for the future with a Part 3A

Work has begun on the preparation of an application for Part 3A approval from the Department of Planning for the continued operations of our mining in the Bulli coal seam. A Project Description Report and Preliminary Environmental Assessment have been submitted to the NSW Department of Planning for assessment.

This is the first step in a Part 3A approval process and a requirement of the Environmental Planning and Assessment Act, that will take up to two and half years to finalise and will regulate the Company's mining operations in the area for some 30 years.

The Part 3A application will include proposed maximum footprints of the future operations of Appin and West Cliff mines. Part 3A approval will not remove the need for the preparation of Subsidence Management Plans - there will still be a requirement to submit a SMP for approval of each series of longwalls associated with the operations outlined in the Part 3A approval.

The final Part 3A application to the NSW Department of Planning will include a complete Environmental Assessment, and incorporate a comprehensive review of the economic benefits, and impacts on natural and man-made surface features. Detailed studies for the

preparation of the Environmental assessment have begun with early monitoring of fauna and flora being undertaken in some areas.

The Part 3A application will reflect the Company's commitment to environmentally sustainable mining in order to provide ongoing economic benefits in its consideration of the future impacts of our operations on natural and man-made surface features including; railway lines, bridges, flora, fauna, cultural heritage, rivers and streams.

Stakeholders will be kept informed as work continues on developing the application.

04 SURF'S UP FOR SOUTH COAST MINERS



SOUTH COAST MINERS SWAPPED THEIR OVERALLS FOR WETSUITS IN MAY AS AN UNEXPECTEDLY WARM, SUNNY AUTUMN DAY GRACED THE SHORES OF THE ILLAWARRA JUST IN TIME FOR THE 2008 SOUTHERN COLLIERIES SURF CLASSIC.

Appin employee and event organiser, Mick Van Opstal, was ecstatic that Mother Nature turned on perfect weather for the competition, after last year had seen the Classic held in almost cyclonic conditions.

"We were absolutely blessed with gorgeous weather this year. The sun was shining, the waves were small but good, which made for a really successful day," Mick said.

The Southern Collieries Surf Classic was held at East Corrimal Beach and featured competitors from all South Coast coal mines, including Appin, West Cliff and Dendrobium sites, Metropolitan, NRE and Tahmoor collieries, as well as occupational health and safety specialist Coal Services.

Some 119 entrants participated in the one-day event, which saw surfers compete in both longboard and shortboard divisions for individual placings, and an overall team trophy.

Mick explained that the annual event is held to build greater connections between miners throughout the South Coast, while also raising money for a worthwhile local charity.

"The Surf Classic is a great opportunity for miners in the Illawarra and Wollondilly regions across a variety of sites and companies to come together and boost morale all for a good cause," Mick said.

"This year we chose to fundraise for the Wollongong Hospital Operating Theatre, after one of the event organisers mentioned that they required a new resuscitation crib, since the old one has been there since 1975."

Through the generous donations of 31 local businesses including Illawarra Coal, and Mick's efforts to utilise the BHP Billiton Employee Matched Giving Program, it is hoped the surf competition will have raised the necessary \$25,000 for Wollongong Hospital to purchase this vital piece of equipment.

The sponsorship pledges from businesses also allowed Surf Classic organisers to raise a further \$7,000 for the Disabled Surfers Association to help in their purchase of a new equipment trailer.

Mick was impressed with the enthusiasm shown by employees towards this year's event and how keen sponsors were to be involved.

Over 67 employees from Illawarra Coal competed in the event with Tyson Loemker (West Cliff) finishing third and Luke Campbell finishing sixth in the shortboard competition, and Rhys James (Appin) finishing fifth in the longboard division. Overall, Appin finished third in the team competition, with West Cliff fifth and Dendrobium sixth.

Mick is grateful for the support from all the sponsors and hopes this relationship can continue into the future.

"I'd like to send out a massive thankyou to all of the sponsors of the competition. Their kindness has allowed us to run a successful event and reach our target total to provide Wollongong Hospital with some lifesaving equipment," Mick said.

"I hope that we can maintain this successful relationship with our sponsors and continue to raise the profile of the Classic and its fundraising capabilities.

"We are always looking for new sponsors and hope that we can encourage more businesses to get on board so we can continue to make a positive difference to local charities."

Above (left): West Cliff's Luke Campbell was one of the competitors in the shortboard division.

Above (right): Appin Electrician Neil Vugrek keeps his balance in the Surf Classic.

ILLAWARRA COAL CPP PROVIDES LIFE EDUCATION SUPPORT

05

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08

Illawarra Coal's Community Partnerships Program has continued to bring quality projects to the communities in which it operates, with the Board funding several recent ventures in the Wollondilly region.

Life Education Australia and Wollondilly schools have been the latest groups to benefit, with the CPP agreeing to provide funding for local primary schools to participate in the Life Education program. This sponsorship, to the value of \$8 per child, allows children to visit the Life Education mobile learning centre.

Eight primary schools in the Wollondilly region have happily accepted this funding, totalling \$22,600, which means their students will be able to participate in this valuable program without expense.

Manager Communication and Consultation, Rosanne Moore, said Illawarra Coal was delighted to have the opportunity to help local children access this highly regarded education program.

"Our CPP is proud to be able to give local students the opportunity to access the Life Education program, which teaches children essential skills to help them make the best life choices now and in the future," she said.

"We hope that the lessons learnt through the Life Education program will encourage children to uphold principles similar to our own core values - courage to lead, integrity, high performance, decisions based on fact, and of course, a commitment to health, safety, environment and community."

General Manager, Education, Training and Community Development for Life Education, Richelle Arnott, said the organisation was grateful for the CPP sponsorship, which will teach local students healthy lifestyle messages.

"Illawarra Coal's Community Partnerships Program has provided vital funding, enabling in excess of 2,500 students to be a part of our program, many of whom would be otherwise unable to attend our education sessions," she said.

"This funding will provide a great service for primary schools in the Wollondilly area in providing quality education about making informed healthy choices."

In other news, the CPP has also granted \$17,250 to the Appin Soccer Association, for installation of an all-weather access to

disabled toilet facilities at the Appin Sportsground.

These latest projects take the Illawarra Coal CPP's total investment in community projects to more than \$400,000 since the inception of the program in 2004.

Below: Life Education's Healthy Harold received a warm welcome from Douglas Park school children during a recent visit. He is pictured with Life Education Richelle Arnott and Illawarra Coal's Rosanne Moore (right).



06 MANDY HELPS THE HEART FOUNDATION BEAT STRONGER



Above: Appin's Mandy Barlogie (right) is helping to raise funds for the Heart Foundation in support of her friend Jenny Girdali (left) who lost her daughter (pictured) to a serious heart condition.

The lives of children are supposed to be happy and carefree, filled with the joys of the unexpected, dreams both big and small, and ideas to take on the world with.

This innocence of youth, however, faltered for many Illawarra residents in September 2007, after the death of 12 year-old Ebony Girdali, who died suddenly while playing at school. Ebony contracted a deadly virus called 'Myocarditis', causing her to suffer a heart attack.

Appin Human Resources Officer Mandy Barlogie was one person whose life changed forever after this tragic event. Ebony was the daughter of one of Mandy's closest friends, and someone who she was watching "grow up".

"Ebony was a very happy and vibrant girl with loads of personality and a smile that could light a room," Mandy said.

"This devastating event changed everyone's lives, and we are all sadder without Ebony. Her family pray each day to cope without her and, as a friend I try and hang in there with them, cry with them, hold them, and be there to pick them up when the day seems too bad to cope."

In an effort to help the Girdali family cope with their devastating loss and to help raise awareness of Myocarditis, Mandy decided to organise a mass fundraising drive in Ebony's memory, the proceeds of which would be donated to the Heart Foundation.

Mandy's fundraising efforts have involved selling arm bands, raffle tickets and flashing hearts, as well as placing wishing wells in McDonalds stores, Gloria Jeans cafes and other businesses around Wollongong. In addition to this she has helped co-ordinate events such as mufti days and Jump Rope for Heart at local schools.

"Proceeds from the sale of merchandise and the wishing wells have so far reached \$3,500, and it is rising," Mandy said.

"But it is the school-based events that have done really well, raising close to \$20,000."

The main focus of the fundraising drive, however, has centred on a Black and White with a touch of Blue Ball, being held at the Wollongong Novotel in June. At the sold-out ball, a silent auction will be conducted, raffling off generously donated gifts from businesses, such as a two-night stay at the Novotel in Melbourne, a surfboard and wetsuit, and mobile phone. All proceeds from ticket sales, which currently stand at over \$16,000, and the silent auction on the night will be donated to the Heart Foundation.

Mandy is not one to pass up the opportunity to keep on raising money, and said she is planning to utilise the BHP Billiton Matched Giving Program offered to employees.

"The Matched Giving Program is a great opportunity to rally up some extra funds for the charities that we support," Mandy said.

"I'm hoping to be able to capitalise on the Matched Giving annual limit of \$50,000 per employee so we can bring about some fantastic results for the Heart Foundation, whose research will hopefully be able to stop other families from having to experience the pain the Girdali family has faced."

"My father also died suddenly of a heart attack, so for me, the Black and White Ball and the other fundraising are in memory of both him and Ebony who were taken away without any goodbyes."

If you are interested in donating goods or cash for the Black and White Ball please contact Mandy on 4629 4548 or at Mandy.L.Barlogie@BHPBilliton.com.

Did You Know?

- Since being commissioned in 2006, Appin Mine's Water Filtration Plant has so far saved 330 million litres of water being taken from the Sydney Water supply.
- The Water Filtration Plant has helped reduce the amount of salt being discharged into the Nepean and Georges Rivers by more than 1500 tonnes.

- The amount of power generated by Illawarra Coal's harnessing of mine gas would power 60,000 homes annually.
- Illawarra Coal's total electricity consumption is approximately 300 Gigawatt hours annually, while our methane gas engine power plants generate approximately 500 Gigawatt hours of electricity p.a. This means

that Illawarra Coal actually produces more energy than it uses.

- Illawarra Coal has utilised the methane gas produced from its operations since the 1980s for power generation through projects such as WestVAMP and the Appin and Tower power plants.

WEST CLIFF INBYE DIESEL SERVICE BAY UPGRADED

07

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08



Above: The 504 Diesel Service Bay new hose reel arrangement prior to going underground.

West Cliff's management of machine fluids underground has received a well-deserved make-over, thanks to the implementation of an improved inbye diesel service bay.

The service bay aims to eliminate the need for the drum storage of fluids, by using a system of self-bunded 1000-litre pods, pumps and retractable hose reels at the 504 Diesel Service Bay.

The new system means that the pumping of oils, greases and coolants into diesel machines will now occur from these pods, rather than from drums. This method will remove the need for storage and servicing of the machines from drums, eliminating the hazards of spilled oil from the drums, and from used drums and transport pallets cluttering the area.

A reduction in the likelihood of contamination of fluids when being pumped into the machines is a further benefit of the upgrade. A decrease in the number of trips required to transport fluids to 504 has also occurred,

because the pods hold 25 to 40 percent more volume than a pallet of drums.

The service bay is considerably mobile, and the pods, pumps and hose reels can be transferred to a new location when required in the future.

Regular meetings were held throughout the project, led by Business Improvement Co-ordinator Frank Hendriks and Workshop Supervisor Craig Lightfoot to ensure the project was completed efficiently.

The upgrade was designed and implemented with the mandatory requirement to eliminate the use of drums. During this process, risk and statutory items were considered, and key engineers and other personnel were consulted as part of the process to validate the team's proposals.

When the final system was agreed upon, Craig Lightfoot coordinated with suppliers to develop suitable pods and pumping arrangements. The underground delivery and installation were

carried out by West Cliff personnel (mainly Night Shift), led by Mick O'Rourke.

Frank Hendriks said that implementing the new system required some forward thinking by those involved in the project.

"The 504 Diesel Service Bay needed various innovative approaches in regards to creating more space in the diesel service bay area, finding a suitable alternative to the drums, and developing suitable hose reel, pump and hosing designs, and arranging manufacture," Frank said.

"The big test for the new system will be during the Longwall 32 to 33 changeout in June and July 2008."

Other improvements made to the Diesel Service Bay area include better drainage and lighting systems, extensive concreting, and the relocation of other equipment to create more space for the installation of the pods, pumps and hose reels.

08 BEIJING OLYMPICS COME TO MT KEMBLA

The colour and excitement of the upcoming Beijing Olympics made its way to Mt Kembla Oval in May for the BHP Billiton Olympic Celebration held for Dendrobium, Administration Centre, Processing and Logistics and Cordeaux employees, contractors and their families.

The oval was transformed into an Olympic arena for the day, with a range of activities taking place to keep both young and old entertained.

A highlight of the day was the opportunity for children and adults to participate in sports clinics with Australia's Olympians.

Former Hockeyroos captain Rechelle Hawkes ran a series of hockey workshops, helping participants, both new and old to the game, understand the rules and work on some basics skills. Rechelle was captain of the Hockeyroos for five years, has competed in four Olympic Games, and is one of only two Australian women to win three Olympic gold medals at three separate games.

Current 400 metres track champion Joel Milburn also attended the Mt Kembla event, challenging young and old to sprint races and other athletic events, such as shot put and hurdles. Joel is currently ranked in the world Top 5 for his 400m event, and will be representing Australia in Beijing later this year when the Games kick off in August.

For those feeling slightly less energetic, there were plenty of other activities to keep employees and their families entertained. Live music filled the oval air thanks to The South Coast Country Music Association. Kids were treated to face painting and a jumping castle, and the Wollongong Science Centre performed their interactive science shows, teaching onlookers about bubbles, fantastic fluids and liquid nitrogen.

The Olympic Celebration was held in conjunction with Dendrobium Mine's Family Day, which was an opportunity for Dendrobium employees to showcase their workplace and the site's day-to-day operations to their

families. As part of their Family Day, more than 70 Dendrobium employees and their families took up the opportunity to tour the underground workings.

Manager Communication and Consultation, Rosanne Moore, said the day was a great success.

"The Olympic Celebration was a great chance for our employees to be a part of the festivities highlighting BHP Billiton's sponsorship of the 2008 Beijing Olympics. Everyone who attended the event said they had a great time," she said.

"Beyond this, the day offered employees the opportunity to come together and socialise outside of the work environment, and also bring together Illawarra Coal employees who might not necessarily interact with one another on a daily basis.

"The families who went underground were particularly excited and amazed by the experience."

Similar events to the Olympic Celebration held in Mt Kembla are being held across all BHP Billiton sites globally. Appin and West Cliff employees were given the opportunity to attend a BHP Billiton Olympic Celebration earlier in the year.



Left: Illawarra Coal's Tim Manton and King Coal, with former Hockeyroo Rechelle Hawkes attended the recent BHP Billiton Olympic Celebration in Mt Kembla.

DENDROBIUM HELPS MAKE AUSTRALIA A LITTLE CLEANER

09

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08

Dendrobium employees have once again donned their gloves for the annual Clean Up Australia Day in February.

The 'green team' participated in a clean-up along Cordeaux Road, between Central Rd and the start of Mount Kembla.

Approximately 20 bags of rubbish were collected on the day, which were filled with bottles and cans, cigarette packets, cardboard, flower pots and even parts of a computer.

Wollongong City Council provided traffic control for the day, including Stop/Slow signs and a support vehicle to ensure employees were safe while performing the clean up.

Our Dendrobium team joined approximately 800,000 other volunteers across 6,000 sites Australia-wide, who collectively cleaned up 7,000 tonnes of rubbish.

Right: Dendrobium employees Alfred Pitt, Scott Coleman, Cindy Fleming and Chris Schultz after their rubbish collecting efforts.



Marquee for hire

Do you have a special event coming up? Then why not enquire about hiring an Illawarra Coal marquee to provide some much needed shelter and protection!

We have two small marquees (3m x 3m) available for free loan to employees and community members for community events. The marquees can be booked individually or as a pair for short periods of time (eg. weekends).

The marquees feature an easy-to-use pop-up design and come complete with pegs, ropes and a carry-bag.

If you are interested in booking a marquee, please contact Donna Rout on 4255 3535 or at Donna.A.Rout@BHPBilliton.com for more information.

Right: One of the Illawarra Coal marquees, which are available for free loan, is pictured at a recent sports carnival.



10 ILLAWARRA COAL EMPLOYEES GET READY FOR BEIJING

FOUR LUCKY ILLAWARRA COAL EMPLOYEES HAVE BEEN REWARDED WITH A UNIQUE OLYMPIC EXPERIENCE, THANKS TO A SERIES OF INITIATIVES RUN BY BHP BILLITON CELEBRATING THE SPONSORSHIP OF THE 2008 BEIJING GAMES.

Alan Stokes, Scott Cram, Troy McDonald and Geoff Tolhurst all received Olympic packages, after being nominated for demonstrating key values central to BHP Billiton's operations.

Applications and Knowledge Manager Alan Stokes' efforts around Safety Week saw his nomination made by an employee working in Corporate Archives. Alan recommended the introduction of iPICK, a system of touch-screen kiosks and software that provides employees and contractors on site with easy access to critical safety, operational and personal development information twenty-four hours a day.

After this development and investment of iPICK, BHP Billiton decided that iPICK would be implemented by the end of the financial year 2009 across all BHP Billiton coal sites as a standard information point, with other sites, such as Cannington and Olympic Dam also showing great interest.

Alan's nomination has seen him win a three-night trip to the home of the 2008 Olympics - Beijing. His package includes accommodation in a four-star hotel, with premium tickets to three Olympic events, a translator for daily activities, and the opportunity to attend organised excursions to some of China's oldest

and most famous sites, such as The Great Wall, Tian'amen Square and the Forbidden City.

Alan said he is very excited about having the opportunity to experience the 2008 Games live and in all their glory.

"People keep asking me what events I want to see, but to tell you the truth, I really don't mind. It would be great to have the chance to see the swimming or the hockey - I'd like to see an event where we're expecting the Aussies to do well," Alan said.

"What I'm really hoping for is the chance to be inside the main arena - I think the atmosphere there will be awesome. I went to the MCG once and thought the atmosphere there was incredible, so in the main arena at the Beijing Games, it will be like the atmosphere is on steroids!"

Just like Alan, West Cliff's Scott Cram and General Manager Projects and Engineering Troy McDonald will also be heading to China in August, for a similar package of three days of Olympic events and sight-seeing.

Scott, an Underground Operator, was nominated by Mark McColl, Wayne Price, Tony Howard and Roger Bowman for the Coal Olympic Competition. His selection came after

Scott's continued efforts in heading up West Cliff's BASE behavioural observation program, chairing the BASE steering committee and conducting all the BASE training for the West Cliff site.

West Cliff HSEC Manager, Mark McColl, said he was pleased to see Scott rewarded for his excellent safety leadership at site.

"Scott has been a strong supporter of our BASE observation system since the program's inception some four years ago," Mark said.

"Scott's involvement with BASE has helped bolster employees' performance in this program, which has been associated with reduced injury rates."

Troy and West Cliff nightshift Under Manager Geoff Tolhurst were nominated by the Illawarra Coal Senior Leadership Team (SLT) through the Coal Customer Sector Group (CSG) Living the Values Competition.

Geoff received a Coal Recognition Package which allowed him to attend the Australian Swimming Championships with access to pre- and post-event functions, premium reserved seating, entertainment, merchandise packs and ambassador memorabilia.

Appin Night Shift fly the flag for Zero Harm

Appin employees have demonstrated Illawarra Coal's overriding commitment to safety, with the site's weekday night shift crew achieving an injury free year.

The crew, made up of 49 direct Illawarra Coal employees and 15 contractors, has worked injury free for the last 12 months.

Appin Operations Manager Heath Hannigan said the recordable injury free period was a great accomplishment for the night shift team and a real demonstration of employees applying themselves to Illawarra Coal's

commitment to ensuring zero harm across all its sites.

"I'm really proud of everyone involved in achieving this injury free period - it's great to see our employees' dedication to one of our core values - our commitment to HSEC," Heath said.

"This is a great precedent to set for all Illawarra Coal employees in how we can achieve total zero harm, and make our workplaces safe for everyone, everyday."

WESTVAMP CONTINUES TO GENERATE INTERNATIONAL SUPPORT

11

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08

WestVAMP has continued to receive international recognition and praise with the United States Environmental Protection Agency (EPA) Administrator, Stephen Johnson visiting the world-first project in April.

Administrator Johnson, who is US President George W Bush's most senior environmental advisor, and a team from the US EPA met with representatives from Illawarra Coal, BHP Billiton's corporate office and technology provider MEGTEC Systems AB. Their visit consisted of an information session about the project, the operation of the technology and its environmental capabilities, and a tour around and inside the plant.

Speaking to WIN News, Administrator Johnson said the WestVAMP power plant was an incredible project, both in its ability to generate electricity from the extremely dilute methane in ventilation air and in the project's capabilities to combat climate change.

"To capture [the methane gas] and not only capture it for greenhouse gas purposes but then to use it as an energy source is very exciting. And of course this demonstration project does exactly that," he said.

Illawarra Coal's Energy Utilisation and Projects Engineer Pat Booth said Administrator Johnson's visit was great recognition of hard work put in by all the different members of the team of the world-first project.



"Our WestVAMP team were committed to successfully implementing this environmental improvement technology, and to see the project gain worldwide interest is incredibly rewarding for everyone who developed the technology and who are responsible for ensuring its continual and effective operation," Pat said.

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

Calling all Miners!!!

The Mt Kembla Heritage Festival will again be taking place this winter, on Thursday 31 July, Saturday 2 August - Sunday 3 August. As part of these celebrations, Coal Shovelling and Roof Bolting competitions will be held at Mt Kembla Oval on 2 August.

The Coal Shovelling events are held in both men's singles and men's doubles divisions, with fantastic prize money up for grabs for those who can shovel 507kg of coal the fastest! First prize for the men's singles division stands at \$1500, while the winners of the men's doubles competition will be awarded \$750.

The Roof Bolting competition is run as a doubles division, with first prize winners picking up \$750.

If you are interested in entering either the Coal Shovelling or Roof Bolting competitions, please contact Chris Schultz at Dendrobium on 4255 4408 or at Chris.Schultz@BHPBilliton.com or download an entry form from the Mt Kembla Heritage Festival website at <http://www.mtkembla.org.au/index.htm>.

Right: Coal shovelling competitions will again be taking place at the Mt Kembla Heritage Festival in 2008.



CITY2SURF 2008 COMES A RUNNIN'

12

ILLAWARRA COAL | EMPLOYEE NEWSLETTER JUN08

Illawarra Coal employees are again being encouraged to pull on their running shorts and tie up their joggers for the 2008 City2Surf fun run, being held on Sunday 10 August.

Illawarra Coal is starting to take registrations for the annual event, with 2008 being the third year the Company has entered teams in its 37-year history. Employees, contractors and their immediate families from all Illawarra Coal sites are welcome to enter.

Jen Finlay from the Administration Centre said the City2Surf is a fun way for employees to develop and maintain a daily exercise routine as well as practice team work both in leading up to, and during the race.

"City2Surf is a great opportunity for employees to demonstrate their commitment to Illawarra Coal's Health and Wellbeing program," she said.

"The event encourages employees to focus on preparations leading up to the race and promotes a healthier lifestyle that we hope stays in place long after the race is finished.

"All participants will be asked to commit to completing at least 50 kilometres of training to ensure that everyone is adequately prepared for the race."

President Col Bloomfield has again thrown in an added incentive, offering to donate \$5 to a local charity for every participant who enters and an extra \$20 for anyone who can beat him across the finish line.

Registration and transport expenses are covered for each employee in addition to the provision of a polo shirt or running singlet. Entrants will also be in the running for individual and team prizes, including best individual and team times.

If you are interested in registering for the City2Surf or would like further information please contact Jen Finlay on 4255 3321 or at Jennifer.Finlay@BHPBilliton.com.



Above: Health and Safety's Ray Aitken was one of many Illawarra Coal employees who took part in last year's City2Surf. More are encouraged this year.

ILLAWARRACOAL

Pride, passion, performance

Coal News team

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ILLAWARRA COAL

2008 NEWS

The employee newsletter
of Illawarra Coal



Above: Pat Booth (right), pictured with BHP Billiton CEO Marius Kloppers, recently accepted the BHP Billiton Environmental Excellence Award for Illawarra Coal's WestVAMP.

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WESTVAMP WINS GLOBAL RECOGNITION

Illawarra Coal's world-first WestVAMP power plant has received the 2008 BHP Billiton Excellence Award in the Environment category in the Company's annual Health, Safety, Environment, and Community Awards.

The Awards recognise BHP Billiton employees from around the globe, who openly embody the Company's values and go beyond what is required in their day-to-day job to care for the health and safety of fellow employees, the environment and the community.

WestVAMP was one of eight projects nominated in the Environment category, and was awarded the accolade over other finalists located in Australia, Mozambique, Canada, Columbia and South Africa.

WestVAMP Project Manager, Pat Booth accepted the Award on behalf of the project team, which also included \$10,000 to be donated to a charity of the team's choice.

Pat said the Awards Night was a demonstration of the BHP Billiton assets' worldwide commitment to the Company charter.

"Each of the projects that were nominated in the Health, Safety, Environment and Community categories were fantastic initiatives that all were focused on continuing

to operate the business in a socially and environmentally responsible manner," Pat said.

"The calibre of the other nominees in the Environment category was amazing, and so it was an absolute privilege to be selected as the winner out of a range of such fine examples of BHP Billiton's environmental policy in action.

"The development of WestVAMP's technology and ensuring its effective operation has involved a lot of hard work from a lot of people, and so to have BHP Billiton acknowledge the incredible capabilities of WestVAMP is extremely rewarding for everyone involved."

The Award, which was announced at the BHP Billiton HSEC Awards Presentation Dinner in Brisbane in September, is the latest in a string of accolades for WestVAMP, following the US EPA presenting 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, and the plant winning the Australian Institute of Energy's Excellence in Energy Award 2007.

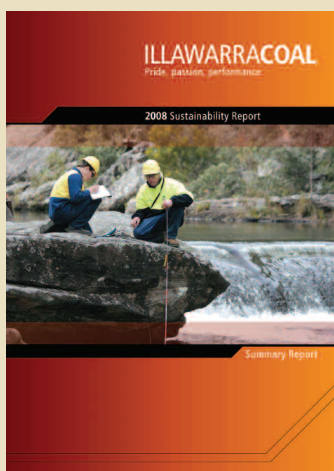
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November

08

FROM THE PRESIDENT



Colin Bloomfield
PRESIDENT BHP BILLITON
ILLAWARRA COAL



Illawarra Coal's 2008 Sustainability Report is enclosed with this issue of Coal News.

Enclosed with this issue of Coal News is our 2008 Sustainability Report.

The report has been written to provide the communities in which we operate, government, employees and other stakeholders with an understanding of our performance against the three pillars of sustainability, namely economic, environmental and social criteria.

As you would be aware, 2007-2008 was a successful year for Illawarra Coal across a broad range of performance categories and we should all be proud of the work we have done to continually improve the way we do business.

Our strategic priorities have remained focused on economic business performance; reducing our environmental footprint, particularly subsidence impacts, greenhouse gas emissions and water conservation; the health, safety and development of our people; strong local employment; our regional purchasing policy; and support to our local communities.

Our commitment to sustainability is driven by our vision to be recognised as a world-class underground coal business and our purpose to create wealth by the responsible use of our resources.

We are operating a truly sustainable business by carefully planning and addressing our economic, environmental and social performance.

More extensive details of our sustainability performance are included in an on-line version of the report available for viewing via the following link: www.bhpbilliton.com/illawarracoal.

Meanwhile, our ongoing performance this year remains on track but safety indicators have deteriorated. Our three month moving average injury rate exceeds our 12 month moving average which is a clear indicator of higher risk of injury. Focusing on compliance with all rules and procedures is essential to reduce our risk. All non-routine work must be conducted in accordance with a task analysis done on the job or a written Take Two. I urge everyone to please focus on these simple things.

Our first quarter production performance shows our budget targets for production and costs have been achieved, with the commencement of Appin's Longwall 702, after many months of hard work, which is great news for the business. Completion of Longwall 4 at Dendrobium is also a great achievement. We remain on track to achieve our full year production target. Efforts by everyone to improve our business and achieve our goals are making a real difference.

These improvements have created greater confidence for further business investment. Earlier this year we ordered additional longwall equipment for use at Appin Mine. We have under consideration further investments in longwall equipment and extra processing capacity at our West Cliff washery. Continued good results make these investments more likely so thanks to all for the effort which is making our business stronger for the future.

A handwritten signature in black ink, appearing to read 'Colin Bloomfield'.

Colin Bloomfield

DENDROBIUM ACHIEVES NEW PRODUCTION RECORDS

03

ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08

Dendrobium has maintained its position as a principal producer of premium quality coking coal with the mine achieving its most productive year on record.

In FY08, Dendrobium extracted 3.483 million tonnes of coal from Longwalls 3 and 4, setting new production records for the mine and Southern District, with record daily and monthly tonnages also being achieved.

During this period, the Mine also recorded a new site record injury free period of 81 days.

Dendrobium's then Operations Manager David Oliver (now Project Manager – West Cliff Replacement Domain Project) said this fantastic achievement came about through the hard work of the Dendrobium team.

"Thanks to the dedication of all Dendrobium employees and contractors, their ability to work as a team, and the efforts of the site to continually improve their techniques, training and services, Dendrobium has been able to produce a tremendous performance, which has benefited the mine and Illawarra Coal as a whole," David said.

"During the 2008 financial year, our overall



safety performance was not in line with expectations; however our record of 81 days recordable injury free demonstrated our capability in delivering on our commitment to the safety of both our employees and contractors.

"We always strive to achieve zero harm at Dendrobium, and will continue to work towards further improving our safety performance in FY09."

The record production is also good news for the Dendrobium Community Enhancement Program, which has received over \$82,000 thanks to Dendrobium's efforts in FY08.

Dendrobium has just completed mining Longwall 4, and is now starting the longwall move, with Longwall 5 scheduled to commence in December.

Above: Matt Fanning and Tony De-Leuw are two members of the Dendrobium team who helped the Mine achieve its most productive year on record.

Illawarra Coal's Matched Giving soars

During the month of June this year, BHP Billiton's Employee Matched Giving Program offered employees the chance to get double the match for their community contributions.

At Illawarra Coal, groups were formed within each of our operations, and each team was encouraged to submit as many Matched Giving applications as possible. At the end of the month, the group from each site which had the highest percentage of applications submitted (not the group with the most money raised or donated, or volunteer hours submitted) was determined the winners.

Congratulations to the four winning groups, which are:

- Appin - Day Surface
- West Cliff - Weekend
- Dendrobium - Surface
- Administration and Cordeaux

The prize, of course, is that their contributions have been matched twice. For example, under the normal Matched Giving Program guidelines an employee contribution to a charity of \$100 would be matched with an extra \$100, but the same contribution by winning participants in the *Double Matched Giving Month* would have an additional \$100 matched to their original donation, making a \$200 match for a \$100 donation.

In an outstanding effort, Appin Human Resources Officer Mandy Barlogie managed to fundraise \$50,000 for the Heart Foundation (see story on page 4), and as a member of the winning Appin Day Surface group, her wonderful efforts have been doubly matched – turning her total contribution to the Heart Foundation into \$150,000.

Some of the other organisations to benefit from employees making applications to the

Program during the double match period include:

CARE Australia, Amnesty International, Douglas Park Volunteer Rural Fire Brigade, Salvation Army, Boystown, Kids Helpline, Illawarra Disability Trust, Illawarra Cancer Carers Inc, Life Education Illawarra and Make A Wish Australia.

For an application form or more information about the BHP Billiton Employee Matched Giving Program please contact Karen Parlato on 4255 3535 or at Karen.Parlato@BHPBilliton.com or download an application form from the BHP Billiton intranet at the following link:

<http://matchedgiving.bhpbilliton.net/bb/home/home.asp>

04 MANDY RAISES \$150,000 FOR HEART FOUNDATION



Above: Mandy Barlogie, pictured with her partner John, recently organised a Black and White Ball which raised over \$19,000 on the night for the Heart Foundation.

When Appin Human Resources Officer Mandy Barlogie decided to begin a fundraising campaign to raise awareness of the deadly heart virus 'Myocarditis' after the tragic loss of a friend's daughter to the illness, she could not imagine that a few months later, her efforts would see \$150,000 donated to the Heart Foundation.

But she has achieved just that, thanks to her tireless fundraising and her utilisation of the BHP Billiton Employee Matched Giving Program!

In 2007, 12 year-old Ebony Girdali died suddenly while playing at school after contracting the deadly virus 'Myocarditis', which caused her to suffer a heart attack. Ebony was the daughter of one of Mandy's closest friends, and so during 2008, Mandy organised a variety of fundraising activities throughout the Illawarra, the proceeds of which would be donated to the Heart Foundation.

These efforts involved selling arm bands, raffle tickets and flashing hearts, placing wishing wells at Wollongong businesses and co-ordinating events such as mufti days and Jump Rope for Heart at local schools.

Mandy's fundraising drive culminated in July with a Black and White with a touch of Blue Ball being held at the North Beach Novotel, in memory of Ebony. Through a series of auctions held at Ball, over \$19,000 was raised on the night, with attendees bidding on a variety of prizes, including holidays to Melbourne and the Gold Coast, coffee machines, an air-conditioning unit, a laptop, and a Sydney Harbour yachting experience.

Thanks to the range of fundraising activities conducted by Mandy, over \$50,000 was originally raised for the Heart Foundation.

Mandy's remarkable efforts have now been made all the sweeter by her utilisation of the BHP Billiton Employee Matched Giving Program and the Company's Double Matched Giving Month incentive.

Capitalising on the Matched Giving annual limit of \$50,000 per employee, Mandy submitted her application during the month of June, which was the Double Matched Giving Month for Illawarra Coal (see article on page 3). Mandy was a member of the Appin Surface group, which managed to submit the most applications during June, meaning that Mandy's \$50,000 worth of fundraising was doubly-matched by BHP Billiton, seeing a grand total of \$150,000 passed onto the Heart Foundation.

The Heart Foundation, which is the largest non-governmental funding body for cardiovascular research, has confirmed the money will be used to help fund world-class research into cardiovascular disease like Myocarditis, to help spare families from the devastation of losing a loved one.

Mandy said the Black and White Ball was a wonderful finish to a fundraising campaign that had managed to achieve so much more than she could have imagined when she first set out.

"The Ball was a sell-out event and a fantastic night that brought together 460 people to celebrate a beautiful life," Mandy said.

"I'm so grateful I have been able to utilise the BHP Billiton Matched Giving Program, and I want to give special thanks to the Appin Surface staff that made such a fantastic effort to submit their Matched Giving forms to help our group receive the Double Matched Giving incentive."

"To be able to raise such a phenomenal amount of money for the Heart Foundation which can be invested into research to hopefully stop other families experiencing the pain faced by the Girdali family is just so rewarding."

ILLAWARRA COAL EMPLOYEES GET A TASTE OF THE OLYMPICS

05

ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08

On 8 August 2008, Beijing came alive with the 2008 Olympic Games. People throughout the world were swept up in the colour and excitement of the Games of the XXIX Olympiad, as over 10,000 athletes from 204 countries competed in a variety of events throughout China.

Four Illawarra Coal employees were lucky enough to find themselves in the midst of this Olympic excitement, after receiving employee recognition packages from BHP Billiton which was a major sponsor of the Games.

Geoff Tolhurst, Alan Stokes, Scott Cram and Troy McDonald were all nominated for the various competitions for demonstrating key values central to BHP Billiton's operations.

West Cliff Nightshift Under Manager Geoff Tolhurst received a Coal Recognition Package after being nominated for the Living the Values Competition for his efforts in helping the West Cliff Nightshift achieve good results in safety and production. His prize saw him and his wife treated to a weekend of luxury and sporting exhilaration, as the pair travelled to Sydney to enjoy the Australian Olympic swimming trials.

As part of their Olympic experience, the Tolhursts attended the last day of the Olympic Trials, which included witnessing Libby Lenton's world-record 50m dash, the Team Relay event and Grant Hackett's 1500m swim.

The pair also had the opportunity to mingle with past and present Olympians, including members of the Chinese Olympic swim team, and former Australian Olympic champions Brooke Hansen, and Raylene Boyle who Geoff described as "quite a character!"

Geoff said he thoroughly enjoyed the experience, and was glad the couple had the opportunity to make the most of Sydney's famous backdrop, including enjoying a trip to the Opera House and a Harbour Cruise in perfect Australian weather.

"This package was certainly a wonderful experience for my wife and I. All-in-all, a great weekend was had and we send our thanks and congratulations to the organising team for a job well done," Geoff said.

Applications and Knowledge Manager Alan Stokes found himself right in the middle of the Chinese Olympic spirit, after being nominated for helping to introduce the iPICK kiosk and software system across Illawarra Coal sites.

Alan had the opportunity to attend the swimming heats, two basketball games and the first night of the athletics.

While the Olympic events were outstanding, Alan said he was truly astounded by the city of Beijing itself.

"I found the architecture amazing. There's just such a contrast between the old communist block buildings and their new modern architecture, like the Olympic facilities," Alan said.

When asked about his favourite part of the trip, Alan said the whole experience was pretty remarkable.

West Cliff Underground Operator Scott Cram and General Manager Projects and Engineering Troy McDonald were also awarded a unique Olympic experience.

Scott was nominated for the Coal Olympic Competition for his continued efforts in leading West Cliff's BASE behavioural observation program, while Troy was nominated by the Illawarra Coal Senior Leadership Team (SLT) for the Coal Customer Sector Group (CSG) Living the Values Competition after strongly demonstrating the BHP Billiton Charter Values in his everyday activities.

Both Scott and Troy enjoyed three days of Olympic events and sight-seeing.

As well as seeing the US Dream Team basketballers in action, and cheering on Aussie cyclists Anna Meares and Ryan Bailey, Scott and Troy were given the opportunity to attend possibly the most memorable event at the Games – Usain Bolt's world-record win in the 100m final!

Troy said this was certainly his favourite Olympic moment of the trip, while Scott was astounded to see just how fast these athletes run, and said "they look so abnormal when they move so quickly!"

The Illawarra Coal employees also had the opportunity to attend excursions to some of China's oldest and most famous sites.

Troy greatly enjoyed being able to experience a more traditional China during his visit to the Hutongs, a village about an hour out of Beijing, while Scott said visiting the Great Wall of China was a very humbling experience and put a lot of things in perspective for him.



Above: Alan Stokes was one of four Illawarra Coal employees awarded a unique Olympic experience through BHP Billiton's sponsorship of the 2008 Beijing Olympics.

"Seeing the Wall and realising the 6,500km feat that the Chinese built in extremely difficult terrain made me realise that problems at work or in life in general can really be overcome," Scott said.

Scott and Troy were both impressed with BHP Billiton's use of its sponsorship of the Games to celebrate and reward its employees from across the globe.

Troy said he was amazed by the large number of employees from across BHP Billiton who were given the opportunity to attend the Olympics on behalf of the Company.

"I think it was fantastic that BHP Billiton was able to use their sponsorship of the 2008 Games and show that the Company really does support and appreciate their workforce and give employees some genuine recognition," Troy said.

Scott said that his trip to the Olympics made him realise how employees throughout BHP Billiton are striving towards similar goals.

"I was blown away by the people I met from BHP Billiton worldwide and the diverse range of skills amongst all the employees. In speaking to so many people from so many different places, I realised that there are some fantastic opportunities available within the Company that employees have a real chance to be a part of."

06 COAL DUST FLIES IN CHARITY SHIELD



Above: The Appin Wallabies and Dendrobium Blues were two of the teams who took to the field for the 2008 Coal Miners Shield.

LOCAL COAL MINERS SWAPPED THEIR OVERALLS FOR FOOTY SHORTS IN JULY TO TAKE TO THE FIELD IN THE CATE STEVENSON COAL MINERS SHIELD OZTAG COMPETITION AND KICK OFF THE 2008 MT KEMBLA MINING HERITAGE FESTIVAL.

Eight teams representing the mining industry took up the challenge, including our own Dendrobium and Appin Mines, as well as teams from Mastermyne, PYD Mining Services, Tahmoor Colliery and the Mt Kembla Lowries.

More than 100 players took to the field at Mt Kembla Oval, and raised more than \$2,500 for Illawarra Cancer Carers in the fiercely competitive knock-out event.

The day attracted a variety of participants, including six Australian OZTAG representatives. The odd 'ring-in' was also keen to get involved, including former Australian rugby league stars Brett Dallas and John Dorahy, professional surfer Mick Lowe and i98 radio personality Marty Haynes.

After many a hard fought battle in sun and rain, last year's winners the Dendrobium Blues

and the Mastermyne Cowboys met in the final, with by Mastermyne clinching victory in a close game, 7-6.

All teams vowed to be back in 2009, faster and stronger, and ready to again raise much-needed funds for charity.

Let's hope next year an Illawarra Coal site can bring home the title!

Hey soccer fans!!!

You don't need to be able to bend it like Beckham or have heard of Ronaldo or Kewell – If you've got some energy to burn and a spare hour on a Tuesday afternoon, then why not join the Illawarra Coal 'street soccer' team?

BHP Billiton is a sponsor of the community Street Soccer Program, run by street magazine The Big Issue. The Program aims to encourage people who are homeless or disadvantaged to get together for weekly training and matches.

In 2008, Wollongong is one of 30 sites in Australia to run the program, which uses physical activity to encourage people who have experienced homelessness, substance abuse or marginalisation to get fit, make new friends and become reconnected with people within the community to provide them with a sense of belonging.

As part of the Program, street soccer organisers are looking for teams from various businesses and industries throughout the Illawarra to play a one-off five-on-five soccer match against the

Wollongong street soccer team.

Illawarra Coal is keen to put together a team of five to participate in the program. The game would be held in the coming months on a Tuesday afternoon from 3pm at McCabe Park in Wollongong (date to be determined).

If you're interested in joining the team for the match, please contact Lauren Kinloch on 4255 3534 or at Lauren.Kinloch@BHPBilliton.com for further information.

DENDROBIUM MINE SAVES WATER

07

ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08



Above: Thanks to the installation of a \$100,000 recycled water pipeline, Dendrobium can use recycled water on the surface for a range of applications, reducing the need to use Sydney Water.

DENDROBIUM HAS TAKEN CONSIDERABLE STEPS TO HELP REDUCE THE ENVIRONMENTAL IMPACTS OF ITS OPERATIONS BY COMMISSIONING A RECYCLED WATER PIPELINE.

The \$100,000 pipeline enables good quality recycled water from old mine workings to be pumped to pit top facilities for use across the mine's surface activities, resulting in a significant reduction in the Mine's purchase of Sydney water.

The installation of this pipeline will significantly reduce Dendrobium's need to purchase Sydney Water, from 90 Megalitres a year to less than 20 Megalitres. This is the equivalent of saving almost 70 Olympic sized swimming pools of water each year.

The mine previously extracted recycled water from old mine workings for extensive use throughout its underground operations, but this investment in pipeline infrastructure has enabled the water to have wider use above-ground.

The utilisation of recycled water across all of Dendrobium's operations allows the mine to remove the need for Sydney Water in the wash-down bay for mine vehicles, the portal road dust suppression system, and general hose down and cleaning activities around the pit top site.

Dendrobium's then Operations Manager David Oliver (now Project Manager – West Cliff Replacement Domain Project) said that he applauded the efforts of Dendrobium employees to ensure the successful installation and running of the pipeline.

"At Dendrobium, we're always keen to pursue initiatives that will help reduce our environmental footprint, especially water which is such a precious commodity," David said.

"I'm proud of the Dendrobium team who have thoroughly researched and implemented the project, and their dedication to make sure this environmentally-sound system continues to bring home the results."

The completion of Dendrobium's pipeline project, coupled with Appin Mine's Water Filtration Plant and West Cliff's WestVAMP power plant, highlights Illawarra Coal's commitment to reducing the Company's environmental footprint of its mining related activities.

08 ILLAWARRA COAL RUNS FOR LIFELINE



Above: Lifeline's Helen Goldhahn was recently presented with a cheque for over \$2,100 on behalf of Illawarra Coal thanks to the efforts of the 2008 Illawarra Coal City2Surf team.

Illawarra Coal employees again laced up their joggers for charity by running in the 2008 City2Surf in August.

Following on from its success in 2007, President Col Bloomfield again set his 'Make Col Pay' challenge, in the hope of encouraging an even larger number of employees to enter the race.

And it worked – Col's pledge to donate \$5 to charity for every employee who completed the race, and an additional \$20 for each employee

who beat him across the line saw eighty-four employees enter the race – more than double last year's efforts.

Thanks to Col's challenge and the generous donations of employees who participated on the day, Illawarra Coal raised over \$2,000 for counselling service Lifeline South Coast.

Five employees managed to beat Col's race time of 70 minutes and 26 seconds. The fastest competitor was Processing and Logistics' Carl Ernst, who finished the course in 62 minutes and 6 seconds.

General Manager Health and Safety, Roger Bowman said he was pleased to see so many employees capitalise on the opportunity to raise money for charity and adopt a healthier lifestyle at the same time.

"It's great to see that employees from across all of Illawarra Coal's sites participated in this year's race – it demonstrates our employees' real commitment to health and safety, and supporting the communities in which we operate," Roger said.

"I hope that the training and preparation the employees put in before the race continues into the future, so even more of us can beat Col across the line in 2009!"

Dave Burge nominated for CRL Volunteer of the Year



When Illawarra Coal Repairs Purchasing Officer Dave Burge first became involved in rugby league in the Illawarra, Brett Stewart was a newborn and Mark Gasnier had only just started kindergarten.

Involved since 1985, Dave's tireless efforts in both senior and junior country rugby league as a player, first-aid officer and coach have now been recognised with Dave being nominated for Country Rugby League (CRL) Volunteer of the Year.

The Country Rugby League (CRL) Volunteer of the Year Program is designed to highlight the thousands of volunteers who regularly give up their time to support rugby league in country NSW.

Dave's volunteering has seen him take on various positions including past president of Junior rugby league, and responsible for

implementing and organising League Safe and First Aid Officer training courses.

While he was unsuccessful in receiving the final award at the Awards ceremony held in September, Dave said it was an honour just to be nominated in the same category as some of the other finalists.

"I'm not disappointed I didn't win – Some of the people who were nominated have given some 35 years of service to country rugby league, and have been wonderful ambassadors for the sport," Dave said.

"My nomination was a complete surprise, and it was great to just be recognised."

ILLAWARRA COAL HELPS MINING STUDENTS GET THEIR HANDS DIRTY 09

ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08

Hundreds of eager students from around the country descended on the Illawarra region in July, as the region played host to the 2008 Australian Institute of Mining and Metallurgy (AusIMM) National Mining Games.

Illawarra Coal was a key sponsor of the 2008 Games, which are designed to help university students considering a career in mining to further their practical training in the field and demonstrate the broad range of opportunities within the industry.

The Company was keen to get involved with the Games to help provide possible future employees of the mining industry with the opportunity to put their classroom knowledge into action and get some hands-on experience.

Twenty teams of students from universities throughout NSW and across Australia converged on the Southern Mines Rescue Station in Woonona for the two-day Games.

All teams competed in a series of events, which tested key skills and techniques required in the mining industry. Challenges set for the teams included the construction of a conveyor system, the identification of various underground hazards, surveying, drilling, and the construction of an underground blast pattern.



Above: 2008 Illawarra Coal vacation student and mining undergraduate Leah Gamble was part of the festivities at the AusIMM National Mining Games.

Sun shines on Mt Kembla Mining Heritage Festival

Mt Kembla was again blessed with clear winter skies for the seventh annual Mt Kembla Mining Heritage Festival held in August.

An estimated 10,000 people enjoyed a variety of events throughout the Mt Kembla township, including market stalls, historical exhibitions, live music, guided tours to the historic pit pony stables and old Mt Kembla mine site, and the 2008 Art Prize exhibition.

Illawarra Coal provided a display at Mt Kembla Oval, which featured underground machinery, including a driftrunner and eimco, and a range of information highlighting Illawarra Coal's operations and Dendrobium's environmental and community initiatives. Free showbags were available for the kids, who could also have their photo taken in the driftrunner to take home as a free memento of the day.

The University of Wollongong Science Centre

hosted a series of shows (courtesy of Illawarra Coal) for kids and adults alike, entertaining the crowds with liquid nitrogen, bubbles and fantastic fluids.

The real crowd-pleaser for visitors to Mt Kembla Oval was the action-packed NSW Coal Shovelling and Roof Bolting Championships, sponsored by Dendrobium Mine.

Competitors from across Australia travelled to Mt Kembla to participate in the Titles, which saw a Tasmanian team narrowly beat local competitors in the Roof Bolting Championships, and Wollongong local Stuart Turner successfully defend his 2007 Coal Shovelling Singles Title.

A pair from Moura, Queensland took out the Coal Shovelling Doubles competition, while Dendrobium weekend crewmember Peter Murray paired up with Singles champion Stuart Turner to take out second place.



Above: Dendrobium's Peter Murray (left) and Stuart Turner (right), pictured with Dendrobium's then Operations Manager David Oliver (centre), took out second place in the Coal Shovelling Doubles competition held at the Mt Kembla Mining Heritage Festival.

10 ILLAWARRA COAL PLANS FOR THE FUTURE WITH PART 3A



Above: Illawarra Coal's Bulli Seam Part 3A application will include a complete environmental assessment which will consider the future impacts of our operations on natural and man-made surface features including railways, roads, flora, fauna, cultural heritage, rivers and streams.

ILLAWARRA COAL IS CONTINUING TO PREPARE ITS APPLICATION FOR PART 3A APPROVAL FROM THE DEPARTMENT OF PLANNING FOR THE CONTINUED OPERATIONS OF OUR MINING IN THE BULLI SEAM.

The Company has submitted a Project Description Report and Preliminary Environmental Assessment to the Department of Planning, which is the first step in the Part 3A approval process as required by the Environmental Planning and Assessment Act. The entire Part 3A approval process is expected to take a further 18 months to complete, and when complete will regulate the Company's mining operations in the area for some 30 years.

Feedback on the Preliminary Assessment was received from the Department of Planning in July and work has now begun on developing the application, which will involve extensive consultation with all stakeholders.

The final application submitted to the NSW Department of Planning will include proposed future maximum footprints of our Appin and West Cliff mine operations and also incorporate a comprehensive review of the economic benefits of continued mining. The application will also include a complete Environmental Assessment, and consider the future impacts of our operations on natural and man-made surface features including railways, roads, flora, fauna, cultural heritage, rivers and streams.

Project Manager, Gary Brassington said approval of the Part 3A application would be great news for the long term future of Illawarra Coal's Bulli Seam operations.

"The application is likely to attract a deal of attention though the approval process," Gary said.

"There are plenty of positive messages that accompany this project, that as employees we can share with family and friends if the topic arises.

"This includes the long term commitment of the proposal – at least 30 years; Illawarra Coal provides 2000 direct local jobs; Illawarra Coal contributes \$278 million in household income; and 600 small to medium size business benefit from our operations."

All Illawarra Coal employees and contractors will be kept informed as work continues on developing the application, as our Company works towards securing the future of the business for at least the next 30 years.



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

Local students win bursaries

Local high school students have been given a kick start to help explore career opportunities within the minerals industry through Illawarra Coal's sponsorship of the 2008 NSW Minerals Council Minerals Education Bursary Scheme.

Though its sponsorship of the Scheme, Illawarra Coal awarded bursaries, valued at either \$500 or \$1000, to five Year 11 and Year 12 students from four schools. The successful students demonstrated a desire to pursue careers in the minerals industry through their personal and academic capabilities.

As part of the Scheme, recipients will participate in a program that encourages students to learn more about the broad range of career opportunities in the minerals industry.

Students have access to minerals-related activities, including mine site open days, work experience, careers expos and minerals careers dinners. The students will also receive Illawarra Coal mentor support, which will provide a long-term contact within the industry for the students, offering career advice, study assistance and access to mine site resources.

Students will also be eligible for a further \$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.

ILLAWARRA COAL WELCOMES SOUTHERN COALFIELDS REPORT

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ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08

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 subsidence impacts.

Industry and government are now examining the report, which reinforces Illawarra Coal's already rigorous and sustainable approach to mine planning.

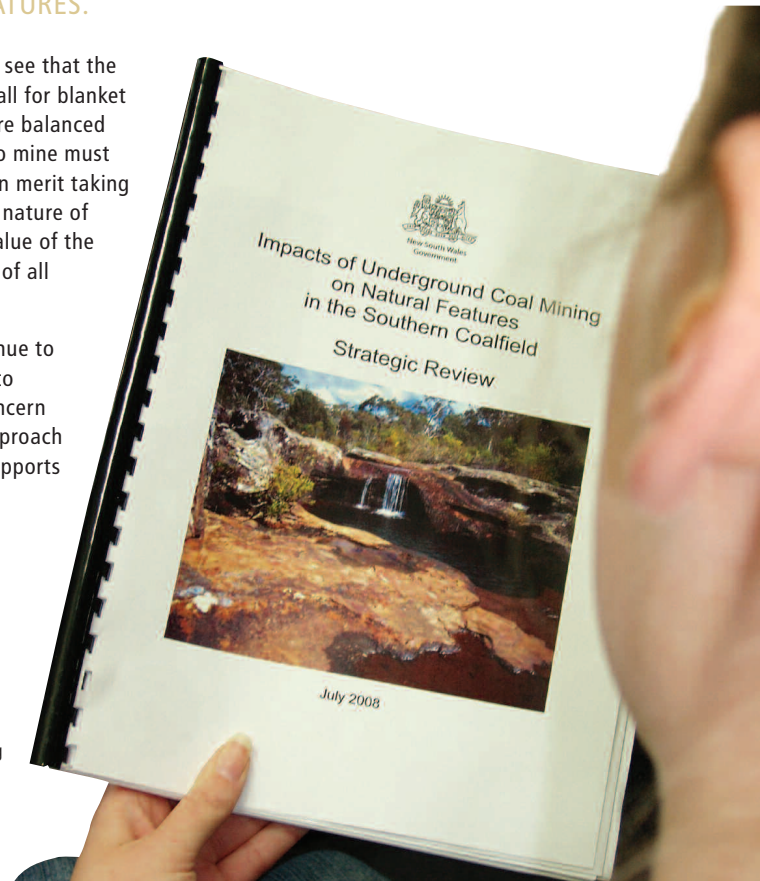
General Manager Sustainable Development, John Brannon said the Report acknowledges that mining has impacts, and what is important is getting the balance right between these impacts and the economic benefits.

"It is pleasing to see that the Report recognised the valuable social and economic contribution made by the coal industry throughout NSW," John said.

"We are also pleased to see that the Panel has rejected the call for blanket restrictions with the more balanced view that applications to mine must be assessed on their own merit taking into account the unique nature of each mining area, the value of the resource, and the views of all stakeholders."

Illawarra Coal will continue to work with Government to address any areas of concern to ensure a balanced approach to mining occurs that supports the economies and communities in which we operate.

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



Engineers Without Borders Australia

Engineers Without Borders Australia (EWB) works with disadvantaged communities to improve their quality of life through education and the implementation of sustainable engineering projects.

BHP Billiton have given their support to this worthwhile organisation by providing funding for the 2008 Engineers Without Borders Challenge, which encourages teams of university students to design real sustainable development projects that can be implemented in disadvantaged and developing communities.

How can Illawarra Coal employees get involved?

At a local level, the Wollongong chapter of EWB is seeking to encourage greater involvement from Illawarra industry and

community members to implement its future projects and events.

The EWB is currently looking to implement and run projects and events in the Illawarra potentially including:

- The establishment and management of a community permaculture garden
- Building or service improvements to community spaces (e.g. Wollongong Youth Centre)
- Supporting volunteer engineers currently placed in overseas communities
- Gala networking event, bringing employers, people involved in industry and potential employees together.

The EWB is not just looking for engineers – anyone with a passion to help the community is welcome to get involved!



If you are keen to put your variety of skills to good use and assist the local community, or you're keen to find out more about the group and the ways you can be involved, please contact David Wajchman (ewb.wollongong@gmail.com) or check out the website at www.ewb.org.au for more information.

BRETT IN TRAINING FOR THE FUTURE

ILLAWARRA COAL | EMPLOYEE NEWSLETTER NOV08

When Training Coordinator Brett Baker joined the Illawarra Coal Health and Safety team in 2007, after 3 years at Dendrobium, he began a project focused on bringing about greater consistency in training practices across all of Illawarra Coal's sites.

One year later, and with a number of successes under the Illawarra Coal Health and Safety belt, Brett's work has now been recognised with his selection as a finalist for the Individual Award for Excellence in Training for the 2008 Mining Industry Skills Centre Training Awards.

The Mining Industry Skills Centre's Training Awards are the resources industry's most prestigious training and skills awards, which showcase the high quality work being undertaken by companies, trainers, individuals and trainees.

Brett's time at Illawarra Coal has seen him lead the development and implementation of several systems and programs designed to ensure a greater standardisation of training practices for employees across all sites. These systems have included the STAX Skills database, which allows for detailed Training

Needs Analysis and, more recently, Role Finder, which identifies skill gaps and helps Illawarra Coal plan for training success.

Brett explained that these programs were aimed at providing greater training consistency for all employees across all of Illawarra Coal's sites.

"The purpose of the systems that have been developed is to make it easier for people to understand what skills they require for their job and how to get the training they need," he said.

Brett said that his nomination was great acknowledgment of the hard work being done by Illawarra Coal to constantly improve safety standards for its employees.

"To be selected as a finalist in these awards is rewarding because there are some fantastic safety and training initiatives being investigated and implemented across Illawarra Coal that deserve recognition," Brett said.

"We have an overriding commitment to safety at Illawarra Coal, which means it's essential that all people working on our sites be equipped with the right skills and have access to the correct information."



Above: Brett Baker was recently nominated for the Individual Award for Excellence in Training for the 2008 Mining Industry Skills Centre Training Awards for his work in standardising Illawarra Coal training practices.

ILLAWARRACOAL

Pride, passion, performance

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ILLAWARRA COAL

2008/2009 NEWS

The employee newsletter
of Illawarra Coal



Above: (from left) General Manager Sustainable Development and External Affairs, John Brannon and Dendrobium's Scott Coleman, Bernie Teunissen and Chris Schultz recently accepted Sydney Water's Largest Volume Reduction Award. They are pictured with Sydney Water General Manager Customer and Community Relations, Angela Tsoukatos.

DENDROBIUM WINS TOP AWARD FOR SAVING WATER

Dendrobium's commitment to reduce the environmental impacts of its operations through making significant water savings has been recognised by Sydney Water.

The mine received the Largest Volume Reduction Award at Sydney Water's annual Every Drop Counts Business Program Awards Ceremony in November, which recognise organisations and individuals who achieve significant water use reductions and demonstrate a commitment to water conservation.

The Award recognises water savings made at Dendrobium for the 2008 financial year through the installation of a \$100,000 pipeline which enables recycled water from old mine workings to be pumped to pit top facilities for use on the surface.

The mine previously extracted recycled water from old mine workings for extensive use throughout its underground operations, and this investment in pipeline infrastructure has enabled the water to have wider use above ground. Recycled water is now used extensively around the pit top site, including in the wash-down bay for mine vehicles, the portal road dust suppression system and general surface hose down and cleaning activities.

General Manager Sustainable Development and External Affairs, John Brannon said he was proud to see Illawarra Coal employees being recognised for their dedication to water management.

"The Dendrobium team have worked extremely hard to ensure the successful installation and operation of the recycled water pipeline and this award is recognition of their hard work and commitment to environmental conservation," John said.

"This pipeline has significantly reduced Dendrobium's need to purchase Sydney Water from 90 megalitres a year to approximately 20 megalitres, which is equivalent of saving almost 70 Olympic-sized swimming pools of water each year – this is a fantastic effort from everyone involved with the project.

"Initiatives such as the Dendrobium recycled water pipeline, along with Appin's Water Filtration Plant and West Cliff's WestVAMP show that all of our sites are committed to implementing innovative projects that can help to reduce the environmental footprint of our operations."

Appin Mine took out the Largest Volume Reduction Award last year for the Sydney Water supply area, which includes 1.7 million homes and businesses.

Illawarra Coal is a member of Sydney Water's Every Drop Counts campaign which, since it was launched in 2001, has attracted more than 340 members and generated savings of about 24.1 million litres of water per day or 8.7 billion litres a year.

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January

08/09

FROM THE PRESIDENT



Colin Bloomfield
PRESIDENT BHP BILLITON
ILLAWARRA COAL

As I write this column Christmas 2008 is just behind us and it's a great time to reflect on the year that's almost gone. 2008 will be remembered as the year of the Global Financial Crisis (GFC) which has had an extraordinary impact on commodity markets. What started simply as mortgage defaults in the USA has rapidly escalated to a crisis of confidence across global financial markets. The reluctance of the banking sector to provide credit to others for fear of financial losses has caused the whole world economy to slow down at an unprecedented rate. Suddenly customers in many markets have stopped purchasing from their suppliers and this has affected businesses all the way across the supply chain. The speed with which this has all happened has been the most surprising aspect. The best example of this is in the oil market where prices in July peaked above US\$140 per barrel. Here we are, not six months later, and prices are more than US\$100 lower. No one I know predicted anything like that!

Ultimately, we at Illawarra Coal are not immune to the impacts of the GFC. Many of our customers are reducing their production to better match demand in their market. For example, Bluescope Steel brought forward their blast furnace reline project to reduce their steelmaking capacity. As a result our customers are using less coal than before and unless the conditions change rapidly we will need to change our business to suit. We are currently discussing the business outlook with our customers and considering our plans for next year.

The other big story of 2008 was climate change and the Australian Federal Government's policy response – a Carbon Pollution Reduction Scheme (CPRS). Like many of you, I have kids, and I care about the world that they and their kids will live in. Many commentators suggest that climate change has the potential to make the world pretty inhospitable in many ways. They are probably right, but I am an optimist and I believe that human endeavour and technological advances will allow us to overcome these problems. History supports this view with most generations being better off than their predecessor.

Illawarra Coal is a greenhouse gas intensive business with methane rich coal and, of course, all the carbon in the coal itself. Our business is one of those that many people would prefer to see shutdown because of our carbon footprint. But the world needs steel if we want to have the way of life we enjoy. Quite a dilemma! The solution is to find technology that can reduce our carbon emissions. I am proud to be

working for a company that was doing this long before most others. In 1996 our Appin and Tower gas power plants started operating and before that we used gas turbines to manage waste gas. Now we have WestVAMP, a world first in greenhouse gas abatement. Despite all these investments which annually save about 2.5 million tonnes of carbon equivalent emissions, the Government is going to severely tax our emissions. Depending on the final design of the CPRS, this could be a substantial cost to Illawarra Coal eroding our cost competitiveness. None of our international competitors face such a tax which means that they will be able to expand their production without a carbon cost. The end result will be jobs and expansion in other countries at the expense of Australia without any real benefit to the climate! I don't think this makes much sense.

Despite these challenges we continue to invest in Illawarra Coal to improve the business. Critical projects that have been competed or approved include:

- Two shafts and new fan for Dendrobium Mine;
- A second set of longwall equipment (except shields) to be installed at Appin Mine;
- A second set of longwall equipment (except shields) for West Cliff Mine;
- Stage 3 of our coal wash emplacement at West Cliff; and
- Power sub-stations for Appin and West Cliff Mines.

We have also invested in many other areas like training, new people, apprentices, graduates, better planning, exploration, community projects and other areas. All of these investments are designed to deliver long term profitability and prosperity for our employees, contractors, suppliers, customers, communities and our shareholders.

So, as I look forward to 2009, I see some short term challenges which we will meet responsibly. As always operating as safely and efficiently as we can is our best way of ensuring our business remains competitive. Whatever challenges we face please put the safety of yourself and your workmates before all else. We will only be truly successful when we can operate efficiently injury free.

I wish you and your family all the best for 2009.

A handwritten signature in dark ink, appearing to read 'Colin Bloomfield'. The signature is fluid and cursive.

Colin Bloomfield

WEST CLIFF WAVES OFF CONVOY FOR KIDS

03

ILLAWARRA COAL EMPLOYEE NEWSLETTER DEC/JAN08/09

Illawarra Coal halted truck operations at West Cliff recently to help raise money for children with cancer and launch another successful Camp Quality Convoy for Kids.

West Cliff's access road became the muster ground and starting point for hundreds of trucks and motorbikes for the Convoy, and the mine's truck movements were stopped for approximately five hours to avoid heavy traffic travelling in opposite directions on the mine access road.

This is the fourth consecutive year the Company has offered the mine's access road and carpark, which is one of very few places along the route which is big enough to cater for the large number of vehicles involved.

Illawarra Coal employees also lent their time as support staff to the Convoy, working with event organisers on safety and traffic plans and being on hand on the day to ensure that the day and the convoy rolled smoothly.

Illawarra Coal Community Relationships Co-ordinator, Zina Ainsworth said she was delighted to again be a part of the organising team for such a worthy charity event.

"It is fantastic that Illawarra Coal has been keen to continue to give its support to this great local cause in a unique way and support a charity that directly benefits the communities surrounding our operations," Zina said.

"The 2008 convoy surpassed all our expectations, with an amazing \$285,000 raised, which almost doubled last year's tally of \$180,000.



"The Convoy has taken many months of planning, and to see everything fall into place and the day run safely and smoothly with lots of money raised for Camp Quality makes all the hard work worth it."

The Convoy is organised by local radio station i98 FM presenters Marty Haynes and Erica Hodge and raises money for Camp Quality Illawarra, which helps provide access to a variety of activities and resources to help brighten the lives of kids living with cancer and their families in the local regions.

This year, 592 trucks and 380 motorbikes registered and assembled at West Cliff Mine and travelled 70 kilometres through the Wollondilly and Illawarra regions to the finishing point at the Croome Road Sporting Complex in Albion Park.

Competition for the coveted Lead Truck in the Convoy was fierce in 2008, with local trucking company M. J. Rowles winning the front spot for the second year running with a \$43,000 donation. Many other truck companies who just missed out on the lead spot donated their bids.

Illawarra Coal would like to send out a big thanks to the following employees for their commitment to ensuring another safe and successful convoy:

Zina Ainsworth, James Anderson, Steve Allman (Allman Excavators) Jim Aidulis, Ryan Boardman, Eddie Piec, Joe Antonelli and Sam Aguirre.

Above: Over 590 trucks and 380 motorbikes participated in the 2008 Camp Quality Convoy, which started at West Cliff Mine.

Illawarra Coal assists Illawarra Cancer Care Centre

Illawarra Coal has helped bring some relief to cancer patients in the Illawarra and Wollondilly regions through a donation to the Illawarra Cancer Care Centre (ICCC), located at Wollongong Hospital.

The Company donated \$2,000 to the ICCC to assist in its quest to purchase an adjustable treatment bed for the Centre's Orthovoltage Room.

It is hoped that the donation will allow the Centre to upgrade its facilities to help provide the highest quality treatment for cancer sufferers in the surrounding regions, and some relief and reassurance to their families and carers.

The orthovoltage facility currently treats over 150 patients a year for skin-related cancers, and the new bed will assist ICCC staff to move patients with ease and greater comfort during rounds of cancer treatment. The design of the bed allows therapists to maintain the accuracy of treatment while enhancing patient comfort as they progress through therapy that often requires several treatment sessions.

Right: Illawarra Coal General Manager Sustainable Development and External Affairs John Brannon (left) presented a cheque for \$2,000 to Michael Tierney (centre) and Illawarra Cancer Care Centre Director of Radiation Therapy Dr Chris Fox (right) recently.



04 ILLAWARRA COAL GETS HAIRY FOR CHARITY



Above: Members of Illawarra Coal's Cordeaux Field Crew were some of the many Illawarra Coal employees who participated in Movember to raise money and awareness for men's health issues.

MANY MALE EMPLOYEES THROUGHOUT ILLAWARRA COAL THREW AWAY THEIR RAZORS AND PUT THE LIDS ON THEIR SHAVING CREAM IN NOVEMBER TO HELP RAISE AWARENESS FOR MEN'S HEALTH ISSUES.

Hairy upper lips were spotted across all Illawarra Coal sites, as employees took on the challenge of growing a moustache during 'Movember', which is a month-long charity event held each year to raise funds for men's health, with a focus on prostate cancer and depression in men.

As part of the Movember event, Illawarra Coal's Cordeaux site put together a team consisting of Environmental Field Crew members and a couple of ring-ins from Dendrobium.

Across the four-week period, the team sent out weekly photo updates of their 'mo' progress, entertaining plenty of Illawarra Coal employees with the hairy developments (or lack thereof!).

Environmental Officer Luke Pascot said that the Cordeaux team decided to participate in

Movember after a friend's father was recently diagnosed with prostate problems.

"The Field Crew guys were keen to get involved because we thought it was important to try and raise awareness and funding for research into men's health issues," Luke said.

"Although some of the guys were a bit hesitant to begin with because they had new dates they wanted to impress, or they simply couldn't grow any facial hair, in the end, all of the Field Crew guys had a go and we've had varying success!

"The event has also been a good team building exercise, and it was a great excuse not to shave – because most of us are too lazy to anyway!"

Some of the 'mo' styles grown by the team included the 'Chopper', the 'Beard', the 'Fluffy

Lip', and the 'No Mo', with Dendrobium Geologist Matthew 'Mo Matty' Johnson awarded the 'Best Mo' honour!

The team managed to raise \$800 for the Movember cause, which will go to Movember's current beneficiary partners, The Prostate Cancer Foundation of Australia and Beyond Blue. This contribution will also be eligible for matching through the BHP Billiton Matched Giving Program, meaning that a total of \$1,600 will be given to the Movember Foundation.

Illawarra Coal would like to encourage all employees who donated to a Movember cause to put in an application form for the BHP Billiton Employee Matched Giving Program to ensure that the not-for-profit organisations involved can gain further benefit from your generous contribution.

RFS recognises Graham Whiteley

West Cliff employee Graham Whiteley was recently recognised for his dedication to the Buxton Rural Fire Service.

Graham was awarded the Commissioner's Unit Citation for Service for the Buxton Brigade, after he and two members of his team saved the life of a girl involved in a car accident in the Wollondilly town.

A member the Buxton RFS for 28 years, Graham said he has continued to be a part of the Service simply because he enjoys the opportunity to volunteer.

"I really do enjoy my time at the RFS – I like being able to do my little bit for the town, and I certainly enjoy the training and mateship that I've experienced," Graham said.

The Award also recognised Graham's dedication to the Rural Fire Service in NSW. Graham has been a volunteer for the RFS since 1963. Graham has held the position of Captain of the Brigade for the last 12 years, and prior to that was Deputy for eight years.

ILLAWARRA COAL HELPS 'INSPIYA' HIGH SCHOOL STUDENTS 05

ILLAWARRA COAL EMPLOYEE NEWSLETTER DEC/JAN08/09



Above: (from left) West Cliff's Luke Davis helped mentor a group of high school students from across the Illawarra including Hannah McCall, Elenie Van Der Merwe, Tim Elliott and Patrick Meaney who created the Rock 'n' Bowl.

SIX ILLAWARRA COAL EMPLOYEES HAVE SPENT THE PAST SIX MONTHS BEING 'INSPIYA-ED' ABOUT OLD VINYL RECORDS BY A GROUP OF HIGH SCHOOL STUDENTS THROUGH THE YOUNG ACHIEVEMENT AUSTRALIA (YAA) PROGRAM.

Gary Hatfield, Scott Coleman, Luke Davis, Leila Hogan, Lauren Kinloch and Luke Pascot from West Cliff, Dendrobium, Cordeaux and Regional Office participated as mentors in the YAA program, sharing their business knowledge and experience with 16 Year 11 students (although the six Illawarra Coal 'old-timers' admit that they've been taught a thing or two as well!).

The mentoring experience meant meeting every week with their young charges to offer professional assistance as the students established and operated their own small business and designed, produced, marketed and sold a product of their choice, while trying to provide a return to shareholders.

West Cliff Graduate Mechanical Engineer Luke Davis chose to become a mentor because of the opportunities the program offered him to give something back to the community.

"I think YAA is a great opportunity for high school students to gain insight into various business roles before starting university and their professions, and also provides an opportunity for members of the community to gain mentoring skills and experience," Luke said.

As part of the program, 16 students from The Illawarra Grammar School (TIGS), Cedars

Christian College, St Mary's Star of the Sea College and Smith's Hill High School formed a company named *inspiya*.

After working through a number of issues with their chosen product, including health and safety issues around moulding vinyl and investigating environmentally friendly packing, *inspiya* created and produced the innovative *Rock 'n' Bowl*, a multi-purpose bowl made from discarded vinyl records, and packaged in the original record sleeve.

The product proved to be a major hit throughout the Illawarra, thanks to the sales and marketing strategies used by the group, including media releases, a newspaper and radio campaign, an email campaign at Illawarra Coal, and the use of iPods to register and record sales.

The passion and enthusiasm of the students to make the business successful and their belief in their product saw the company prove successful, with the group taking home several awards from the Regional YAA Awards Night held in October. Their list of prizes included Best Annual Report, Best Marketing Initiative, Outstanding Product, the Pam Lane Media Award, and Business Person of the Year Award (awarded to the group's co-Managing Director Patrick Meaney).

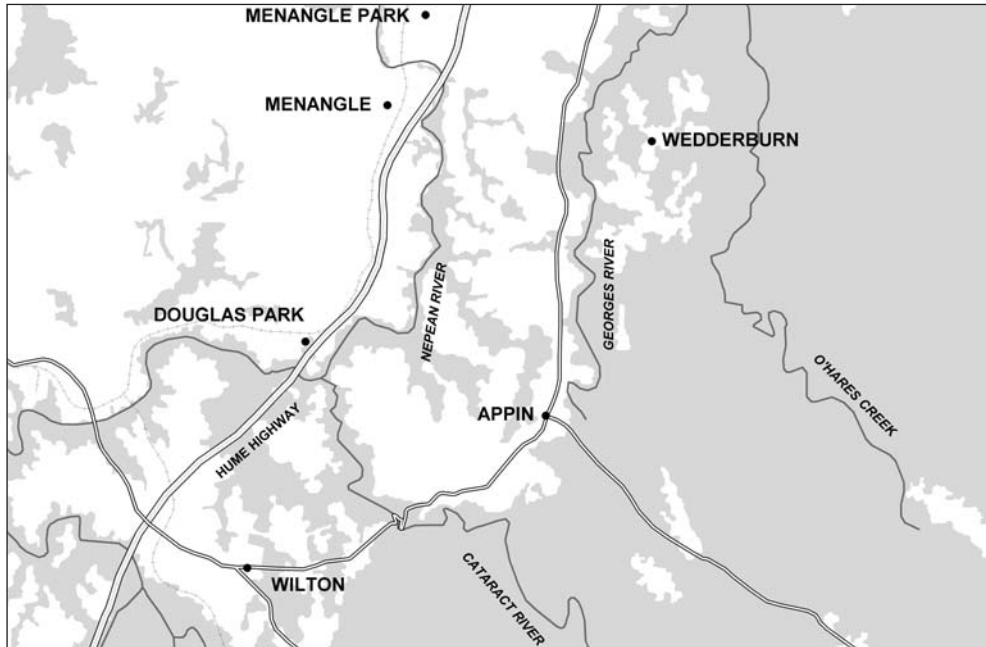
This success saw the group qualify for the YAA State Awards, held in Canberra, where the group's success continued, with *inspiya* winning two further awards – The State Award for Media and the State Award for Marketing Initiative.

Illawarra Coal congratulates Gary, Scott, Luke, Leila, Lauren and Luke on their dedication to the YAA program and for their contribution to local youth development.

The Company will again be participating as a sponsor of YAA in 2009, and is hoping to encourage employees to be involved.

If you're keen to further your leadership skills or would like to contribute to local youth development and can spare two hours a week, then why not consider becoming a YAA mentor? For further information contact Gary Hatfield on 4255 3341 or at Gary.Hatfield@BHPBilliton.com.

06 PLANNING FOR THE FUTURE – AN UPDATE



Above: Illawarra Coal is currently preparing an application for Part 3A approval which will detail the proposed development areas for the next 30 years of our Bulli Seam Operations throughout the Wollondilly area.

Work is continuing on the preparation of our application for Part 3A approval from the Department of Planning for continuation of our Bulli Seam operations.

Preparing the application is a requirement of the NSW Environmental Planning and Assessment Act, and will address the continued operations of our Appin and West Cliff Mines and their associated operations.

Part 3A approval will not remove the need for the preparation of Subsidence Management Plans – Illawarra Coal will still have to submit a SMP for approval of each series of longwalls associated with our operations.

The final submission of the application which is expected to be June 2009 will include a complete environmental assessment and work is well underway in the collection of

information to support this. A number of surveys including flora, fauna and cultural heritage have been conducted and will continue over the coming months.

Project Manager, Gary Brassington said the Part 3A application will look at a range of possibilities to help secure the long term future of our mining operations in the Bulli Seam.

"Due to amendments in NSW Planning law, all companies must submit a Part 3A application for any future development," Gary said.

"For this reason, we are looking at our future requirements and the potential for mining in the area for the next 30 years, which will take us further within the existing mining leases for our Bulli seam mines."

During the application and submission process, a community reference group will be formed to help facilitate community feedback on the process and provide a forum where questions can be asked and answered and specific information requested and provided.

All Illawarra Coal employees and contractors will be kept informed as work continues on developing the application, as our Company works towards securing the future of the business for at least the next 30 years.

For further information about the project, please contact Gary Brassington on 4255 3318 or email Gary.M.Brassington@BHPBilliton.com.

West Cliff Reunion brings together past and present



Approximately 100 past and present Illawarra Coal employees attended the second annual West Cliff Reunion for employees recently.

The reunion became the muster ground for stories from the coal face, with plenty of tales told between old friends. Attendees were also given the chance to look back on their times at West Cliff pictorially, with reunion organisers presenting a collection of old photographs of West Cliff employees.

Event organiser and West Cliff Lamp Room Attendant Brian Begley said he was pleased so many former and current employees chose to attend the reunion.

"A lot of these miners have been retired for a number of years and it's a great way to see old friends again and talk about the good old days," Brian said.

"Some people said there was more coal produced on the night through all the old stories being told than West Cliff produced all week!

"The organising committee would like to thank West Cliff management and a number of contractors for their kind donations which made the night so enjoyable – without their help we could not have made the night the success that it was."

Brian and fellow organisers, West Cliff Lamp Room Attendant Tony Mulhern and Illawarra Coal Human Resources Manager Gary Hatfield hope that the event can become an event held in October each year, around the time of the anniversary of West Cliff's opening.

Left: (from left) Organisers Tony Mulhern and Brian Begley brought together approximately 100 former and current West Cliff employees at the 2008 West Cliff Reunion.

DENDROBIUM AND MT KEMBLA PS WORK TOGETHER TO RESTORE CREEK 07

ILLAWARRA COAL EMPLOYEE NEWSLETTER DEC/JAN08/09

Dendrobium employees teamed up with Mt Kembla Public School students recently for a tree planting day around Mt Kembla Oval.

Over 40 students helped plant approximately 80 native trees along American Creek as part of an ongoing weed control program in the area, which is due to be completed in December 2009.

The project aims to restore bushland around Mt Kembla Oval and Stones Rd, with funding from Illawarra Coal and Wollongong City Council.

Dendrobium Environment and Community Manager, Chris Schultz said the weed control program was a great opportunity to educate school children about the importance of respecting the environment.

"The weed control program is all about restoring the bushland so the area can be enjoyed by the local community and utilised by native animals, and the tree planting day is a great opportunity to get local students thinking about the environment and encouraging them to take care of the areas surrounding where they live," Chris said.

Right: Environment and Community Manager, Chris Schultz was one of several Dendrobium employees who recently participated in a tree planting day with Mt Kembla Public School students.

Throughout the course of the program, weeds and Coral trees will be progressively removed from along the creek, and appropriate native plants will be planted.

Another day of tree removal is planned for 2009, with the remainder of the project focussed on the additional planting of native trees, weed maintenance of the site and bush restoration activities.



2009 Minerals Education Bursary Scheme applications now open

Illawarra Coal and The NSW Minerals Council are inviting senior secondary students to apply for the 2009 Minerals Education Bursary Scheme (MEBS).

Senior secondary students who attend schools of the communities surrounding Illawarra Coal's operations in the Illawarra and Wollondilly are encouraged to apply for the 2009 Scheme, which aims to encourage high school students to consider a career in the minerals industry.

Bursary recipients receive an Illawarra Coal-sponsored cash grant valued at either \$500 or \$1,000 to assist them in furthering their study pursuits.

The MEBS program offers students with an interest in the minerals industry access to industry-based resources to explore possible minerals career opportunities, including invitations to attend open days at mine sites

and universities, careers expos, and minerals careers dinners.

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.

Successful applicants who complete the first year of a minerals-related undergraduate degree within 12 months of completing their Higher School Certificate will be eligible for an additional \$2,000 undergraduate bursary.

Applications for the Minerals Education Bursary Scheme close **13 March 2009**.

Further information about the program and application forms for the 2009 MEBS program can be found at <http://www.nswmin.com.au/education/careers>.



Above: In 2008, Illawarra Coal and the NSW Minerals Council awarded Minerals Education Bursaries to five Year 11 and Year 12 high school students from the Wollondilly and Illawarra regions.

ILLAWARRA COAL PARTNERS WITH WOLLONDILLY BASS CLUB

ILLAWARRA COAL EMPLOYEE NEWSLETTER DEC/JAN08/09

Illawarra Coal has entered into a working partnership with the Wollondilly Bass Club, which will focus on a program of maintaining and improving the Upper Nepean River.

The Wollondilly Bass Club is a catch-and-release fishing club whose members are also engaged in conducting voluntary Upper Nepean River management projects, including river clean-ups and fish-ladder maintenance (fish-ladders are man-made passages used by fish to migrate up and down the river to breed).

Illawarra Coal's support has enabled the Club to purchase a boat and light-weight punt, which will be used along the river to conduct clean-ups and fish ladder maintenance. The punt is small enough to be carried into parts of the river where it is not possible to launch the boat. Until now the Club relied on the use of members' boats, canoes and kayaks for these activities.

Wollondilly Bass Club President Brett Hardey said the Club's partnership with Illawarra Coal will allow its members to manage the river and the fish population more comprehensively.

"With the support offered to the club by Illawarra Coal, the members of the Wollondilly



Bass Club can continue to carry out our river enhancement activities to help keep it a beautiful place for fish, and for the entire community to visit," Brett said.

Illawarra Coal is proud to enter into this partnership with the Wollondilly Bass Club and looks forward to being part of future projects

that focus on providing a better future for the Upper Nepean River and wonderful natural resource for locals and visitors alike to enjoy.

Above: Wollondilly Bass Club committee members John McInnes (left), Anthony McLean (centre) and Brett Hardey (right) recently showed off the Club's new boat to Illawarra Coal's Zina Ainsworth and Rob Zylstra.

ILLAWARRACOAL

Pride, passion, performance

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ILLAWARRA COAL COALITION NEWS

The community newsletter
of Illawarra Coal, BHP Billiton



Above: A Merry Christmas from everyone at Illawarra Coal.

CHRISTMAS WISHES FROM ILLAWARRA COAL

Merry Christmas and a Happy New Year from everyone at Illawarra Coal.

We would like to wish you and your family a happy, healthy holiday period.

We hope all our readers stay safe this holiday season so they are able to enjoy Christmas with family and friends for many more years to come.

Christmas is certainly a season for giving, and the generosity of many Appin residents has helped ensure a happy Christmas for many financially disadvantaged Wollondilly residents, thanks to a Giving Tree that was established at the Appin Tourist Centre.

Members of the community were encouraged to bring a gift and place it under the tree with special arrangements made to ensure the gifts would be distributed to residents in need in the Wollondilly region.

An outstanding number of more than 400 gifts were generously handed over to the St Vincent De Paul Society, to help relieve the financial burden for many Wollondilly families during the Christmas period.

Illawarra Coal was pleased to assist the cause, donating some funds for the purchase of gifts.

Inside this Coalition News issue

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Coalition welcome

Welcome to the twelfth 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 2008 Sustainability Report released

The report has been produced to provide the communities in which we operate, government, employees and other stakeholders with an understanding of our performance against the three pillars of sustainability, namely economic, environmental and social criteria during the 2007-2008 financial year.

Two versions of the report have been produced — an extensive on-line Report and a printed Summary Report.

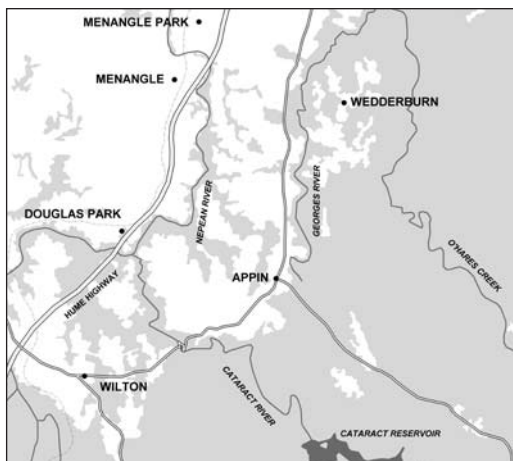
Both documents are available online through our website at www.bhpbilliton.com/illawarracoal.

ISSUE 12
December

08

PLANNING FOR THE FUTURE — AN UPDATE

02



Above: The proposed development areas for the next 30 years of Illawarra Coal's Bulli Seam Operations are located throughout the Wollondilly area — a more detailed map of the boundaries is available from the NSW Department of Planning website (details in article at right).

In this issue of Coalition News you will find an information sheet outlining Illawarra Coal's preparation of a Part 3A application for its Bulli Seam operations.

Preparing the application is a requirement of the NSW Environmental Planning and Assessment Act, and will address the continued operations of our mining in the Bulli coal seam — the Appin and West Cliff Mines and their associated operations.

The application will include proposed maximum footprints of the future operations of Appin and West Cliff mines which are located in the Appin and Douglas Park areas.

Part 3A approval will not remove the need for the preparation of Subsidence Management Plans — the Company will still have to submit a SMP for approval of each series of longwalls associated with its operations.

The final submission of the application which is expected to be June 2009 will include a complete environmental assessment and work is well underway in the collection of information to support this. A number of surveys including flora, fauna and cultural heritage have been conducted and will continue over the coming months.

Project Manager, Gary Brassington said the Part 3A application will look at a range of possibilities for future mining in the area for up to 30 years.

"Due to amendments in NSW Planning law, all companies must submit a Part 3A application for any future development," Gary said.

"For this reason, we have looked at our future

requirements and the potential for mining in the area for the next 30 years which will take us further within the existing mining leases for our Bulli seam mines.

"The application therefore, will be quite detailed and the complete environmental assessment will address all potential impacts."

In order to facilitate community feedback on the process and the information gathered, a community reference group will be formed for the duration of the application and submission process (see advertisement this issue).

"We are aiming to comprise the group of people representative of the application area," Gary explained.

"Depending on the needs of the group, we will alternate our meeting venues to suit, instead of the same place each time.

"It is hoped that in discussing the Part 3A process a forum will be provided to the group where questions can be asked and answered and specific information requested and provided."

The proposed development areas for the next 30 years of Bulli Seam Operations are located within the area shown on the map on this page. For more information including a more detailed description of the project and its boundaries, please refer to the *Bulli Seam Operations Project Description Report and Preliminary Assessment* on the NSW Department of Planning website http://www.planning.nsw.gov.au/asp/pdf/08_0150_bulli_seam_prelim_asst.pdf or contact Gary Brassington on 42 553318 or email Gary.M.Brassington@BHPBilliton.com.



Above: Wollondilly Bass Club committee members John McInnes (left), Anthony McLean (centre) and Brett Hardey (right) recently showed off the Club's new boat to Illawarra Coal's Zina Ainsworth and Rob Zylstra.

Illawarra Coal partners with Wollondilly Bass Club

Illawarra Coal has entered into a working partnership with the Wollondilly Bass Club, which will focus on a program of maintaining and improving the Upper Nepean River.

The Wollondilly Bass Club is a catch-and-release fishing club whose members are also engaged in conducting voluntary Upper Nepean River management projects, including river clean-ups and fish-ladder maintenance (fish-ladders are man-made passages used by fish to migrate up and down the river to breed).

Illawarra Coal's support has enabled the Club to purchase a boat and light-weight punt, which will be used along the river to conduct clean-ups and fish ladder maintenance. The punt is small enough to be carried into parts of the river where it is not possible to launch

the boat. Until now the Club relied on the use of members' boats, canoes and kayaks for these activities.

Illawarra Coal is proud to enter into this partnership with the Wollondilly Bass Club and looks forward to being part of future projects that focus on providing a better future for the Upper Nepean River and a beautiful place for the entire community to visit and enjoy.

The Wollondilly Bass Club is always looking for new members, so if you are interested in joining or would like further information about the Club and their activities, please contact one of the committee members via their website at www.basinlureandfly.org.au/wbs/php.

CSIRO SCIENTIST GETS GOOD HEARING WITH THE AACWG AND THEIR GUESTS 03

In October, the Appin Area Community Working Group extended an invitation to Principal Research Scientist for CSIRO Exploration and Mining, Dr Baotang Shen to discuss his research into a technology that may be available to reduce subsidence from underground mining with the Group and their invited guests.

Dr Shen is currently engaged in a research project into developing a cost-effective, flexible Overburden Grout Injection system suited to Australian longwall mining.

Overburden Grout Injection is a possible technique to reduce subsidence from underground longwall mining, where a grout made of waste material (fly ash or coalwash) is injected via surface boreholes into the separated beds beneath the surface, and in certain situations can reduce subsidence by up to 60 per cent.

While still in its research stage, the technique is seen as relatively cost effective when compared with other current longwall mining subsidence reduction methods such as backfilling or protection pillars which support surface features.

The research program is being undertaken by the CSIRO in cooperation with the Australian Coal Association Research Program and BHP Billiton, who are keen to evaluate this technique for use in the Australian coalfields, following its successful use in China.

As part of the project, a comprehensive review of the Chinese experience was carried out by the CSIRO, and followed by detailed site investigations, including at Illawarra Coal's West Cliff mine.

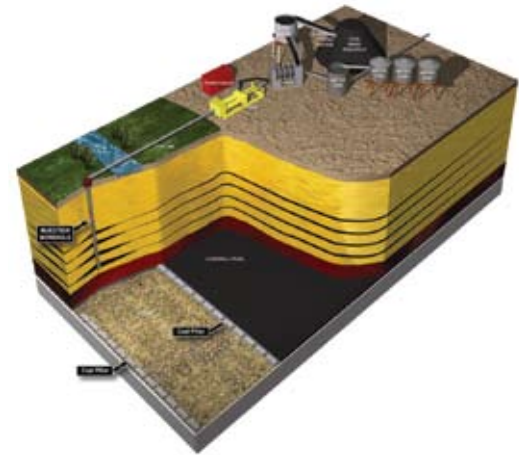
While there have been a number of technical challenges, recent monitoring of trials at Illawarra Coal's West Cliff mine on Longwalls 29, 31 and 32 have been useful in predicting how grout technology can reduce subsidence.

Using the CSIRO's modelling estimate, the process could reduce subsidence by 43 per cent at the West Cliff sites tested, while Chinese figures show that a 55 per cent reduction may be possible.

The audience for Dr Shen's presentation consisted of members of the AACWG, as well as guests invited by the Group, all of whom represented community-based and voluntary organisations, as well as representatives from both Campbelltown City and Wollondilly Shire Councils.

Throughout the presentation, Dr Shen and Illawarra Coal encouraged questions from the audience which ensured a lively meeting, with questions and discussion ranging from seeking specific points of clarification on grout injection technology to those of a broad industry nature.

For more information see the presentation summary on the AACWG website at www.bhpbilliton.com/illawarracoal/aacwg.



Above: Overburden Grout Injection technology is currently being researched as a possible method of reducing subsidence from longwall mining by injecting a grout into the separated beds beneath the surface. (Image courtesy of CSIRO).



Above: Over 590 trucks and 380 motorbikes participated in the 2008 Camp Quality Convoy, which started at West Cliff Mine.

West Cliff waves off Convoy for Kids

Illawarra Coal halted coal truck operations at West Cliff Mine recently to help raise money for children with cancer and launch another successful Camp Quality Convoy for Kids.

The Mine's access road became the muster ground and starting point for hundreds and trucks and motorbikes for the Convoy, which is organised by local radio station i98 FM presenters Marty Haynes and Erica Hodge.

This is the fourth consecutive year the Company has offered the mine's access road and carpark, which is one of very few places along the route which is big enough to cater for the large number of vehicles involved.

Illawarra Coal employees also lent their time as support staff to the Convoy, working with event

organisers on safety and traffic plans and being on hand on the day to ensure that the day rolled smoothly.

The Mine's truck movements were also halted for approximately five hours to avoid heavy traffic travelling in opposite directions on the mine access road.

This year, 592 trucks and 380 motorbikes assembled at West Cliff Mine and travelled 70 kilometres through the Wollondilly and Illawarra regions to Albion Park, near Shellharbour.

The 2008 Convoy surpassed all expectations, with an amazing \$285,000 raised through vehicle registrations, raffle ticket sales and donations, which almost doubled last year's tally of \$180,000.

Competition for the coveted Lead Truck in the Convoy was fierce in 2008, with local trucking company M. J. Rowles winning the front spot for the second year running with a \$43,000 donation. Many other truck companies who just missed out on the lead spot also still donated their bids.

All funds raised go directly to Camp Quality Illawarra and help provide access to a variety of fun activities and resources to help brighten the lives of kids living with cancer and their families in the local regions. Last year, some of the funding was used to purchase tickets to the Royal Easter Show for families living with cancer, run a camp for young cancer sufferers in the Northern Territory, organise Mother and Daughter and Father and Son weekends away, as well as family ski weekends.

ILLAWARRA COAL COMMUNITY PARTNERSHIPS PROGRAM UPDATE

04

ILLAWARRA COAL COALITION NEWSLETTER DEC08

The Illawarra Coal Community Partnerships Program (CPP) is continuing to support the communities surrounding the Company's operations, with the Board awarding funding to several key projects recently.

The Children's Hope Foundation, which focuses on helping physically and intellectually disabled children overcome everyday challenges, has received funding to upgrade the outdoor facilities for one of its beneficiaries, Beverley Park School in Campbelltown.

Beverley Park School provides care and development for 57 students from Kindergarten through to high school with physical and intellectual disabilities. The funding will be used to complete the landscaping and concreting of the school's outdoor classroom.

The Wollongong Science Centre and Planetarium has also benefited from CPP funding, with the Board becoming the major sponsor of the Centre's new exhibition 'The Machine'.

The exhibition will create an awareness of the nature and importance of machines, and examine the types of machines which power major industries.

Schools in the Wollondilly region will be given the opportunity to experience the exhibition, which is due to be launched in April/May 2009. Nominated Wollondilly schools will receive special offers such as vouchers for visiting the exhibition, free family passes to the Centre for schools to use for fundraising events, and teachers will receive discounted memberships.

In other CPP news, Appin tourism has received a boost with the installation of the first set of Heritage Signs. The Appin Chamber of Commerce received funding in late 2007 to have a series of signs highlighting key points of interest of Appin's heritage.

Appin Chamber of Commerce President Ernie Ring said that the signs will help to further promote the strong history and heritage of Appin to interested visitors and locals alike.

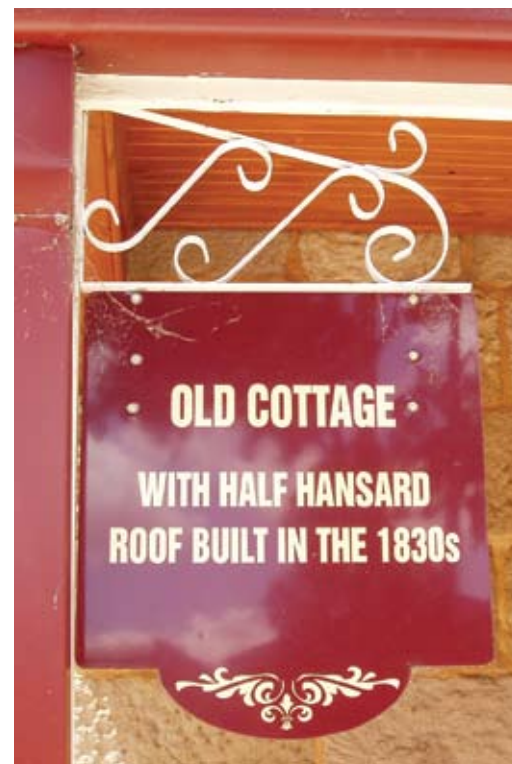
"The Appin Heritage Signs link to the Appin tourist map and History Gazebo, which allows visitors to take self-guided tours around Appin's key heritage areas, including the Appin Primary School, the old Post Office and the police station," Ernie said.

"The installation of these signs is a valuable addition to the great work being done by Appin locals to make the township a key attraction point for tourists to the Wollondilly area."

The CPP Board is currently preparing for its first funding round of 2009. The Board is keen to receive and consider applications from groups and organisations that require funding for projects that can greatly benefit the regions around Illawarra Coal's Appin and West Cliff mining operations (e.g. Appin, Douglas Park, Menangle and other nearby communities).

The first round of nominations for 2009 CPP funding close on 31 March 2009.

Application forms and further information can be obtained from Jennifer Finlay by emailing Jennifer.Finlay@BHPBilliton.com or calling 4255 3313.



Above: CPP funding has helped fund the creation and installation of Heritage Signs around Appin's key locations of historical interest, such as the Old Cottage, located on Appin Road.

Alternatively, this information can be accessed on the Illawarra Coal CPP webpage via <http://www.bhpbilliton.com/illawarracoal/cpp>.

ILLAWARRACOAL

Call for Expressions of Interest — Illawarra Coal Community Reference Group

Illawarra Coal is looking for interested people to join a community reference group as it prepares a Part 3A application for the continuation of its Bulli Seam Operations for the next 30 years. The project is called the Part 3A Bulli Seam Operations.

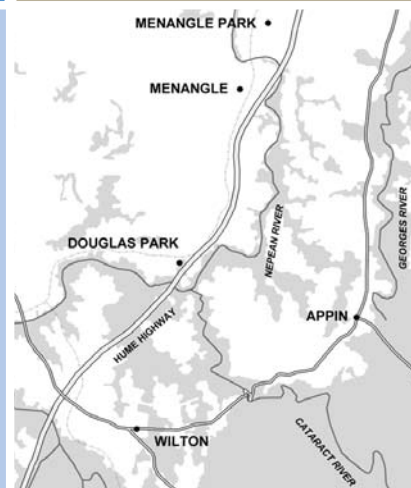
Illawarra Coal operates two underground coal mines in the Bulli Seam — the Appin and West Cliff Mines, and is committed to working closely with the community as it prepares the Part 3A application which includes environmental, economic and social impact assessments. As a result, expressions of interest for the Community Reference Group are invited from interested residents willing to give their experience and time to

this process. Residents in the areas of Appin, Douglas Park, Maldon, Menangle, Picton, Wedderburn and Wilton are encouraged to join.

The Community Reference Group will help inform Illawarra Coal of considerations and issues from the community and will be part of regular communication with all residents and other interested parties.

It is anticipated that meetings will be held in the evening (depending on availability of interested members) on a monthly basis from late January to around July 2009. The location for the meetings will vary, covering the project area. **Closing date for expressions of interest is 19 January 2009.**

For more information or an Expression of Interest Form please contact Jennifer Finlay at Illawarra Coal on 4255 3313, or by email at Jennifer.Finlay@BHPBilliton.com



ILLAWARRA COAL REGIONAL SCIENCE FAIR ATTRACTS 300 STUDENTS

05

More than 300 primary and high school students from throughout the Macarthur, Wollondilly and Illawarra regions, converged on the University of Wollongong to participate in the 2008 Illawarra Coal Regional Science Fair held on 28 October.

The standard of projects at this year's Fair was fantastic, with enthusiastic young scientists presenting information on topics that covered the interests and imaginations of young and old, from the ecology of rock pools to the most absorbent brand of paper towel to the best point to kick a soccer ball to make it curl.

This year's Fair was the second in a three-year naming-rights partnership between Illawarra Coal and the University of Wollongong to stage the event, which provides a unique opportunity for primary and high school students to explore the exciting world of science.

The 2008 Fair attracted more than 200 projects from students throughout the Illawarra and South Coast, Campbelltown, Southern Sydney, Southern Highlands and

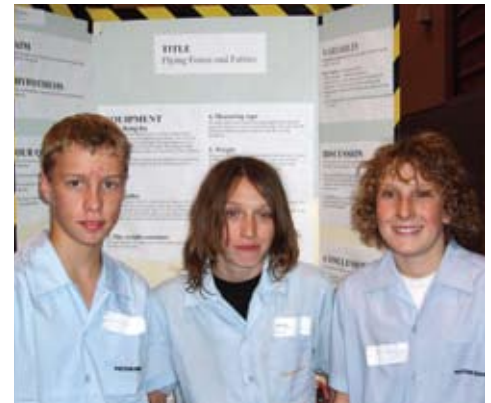
surrounds in subject areas such as biology, chemistry, earth and environmental science, geography and physics.

The Illawarra Coal Regional Science Fair is one of the few of its kind held in NSW, and provides students with the unique opportunity to research a topic of their choice and then explain their project to judges who are representatives of industries in science-related areas.

University of Wollongong Faculty Schools Liaison Officer, Melissa Thompson said the Fair was a wonderful opportunity to encourage students to choose science subjects at school or even consider careers in the industry.

"I'm always amazed at just how motivated students of all ages are to be involved in the Science Fair," Melissa said.

"The Science Fair is such a great resource that allows students to display their passion and creativity for science and develop their interests and talents in the scientific field, and it's wonderful to be involved in something that could be playing a real role in inspiring our future scientists."



Above: (From left) Picton High School students Tristan Jones, Ethan McKenzie and Evan McCauley presented a project at the Science Fair on the connection between weight and rebound on flying foxes.

Illawarra Coal has supported the Science Fair since its inception as a school-based event five years ago, and is delighted to see the Fair successfully develop into one of the most significant local science events for primary and high school students.

Exploration Licence granted

Earlier this year, Illawarra Coal made application to the Department of Primary Industries for an exploration licence in the area of Wedderburn, which has recently been granted.

West Cliff Mine, situated on Wedderburn Road (off Appin Road) and to the south east of the Wedderburn community, is nearing the end of its current mining area, and the company is now considering options for the future life of the mine.

The licence will enable the company to determine more detailed information about the coal seam in the area, providing certainty for all, including the Wedderburn community, about the viability of future mining.

While a range of exploration techniques can be applied over a period of time, the first which is proposed to be conducted is a seismic survey using a truck mounted machine, referred to as a "Vibroseis" machine, which will travel along roadways during daylight hours.



The technique which is faster, less invasive and more environmentally sensitive than traditional seismic techniques, uses a truck mounted vibration source to look deep beneath the ground, rather than the traditional means of drilling lines of seismic shot holes to provide a conduit for an explosive energy source. The new technique can be used in relatively flat open areas or along roadways.

Since making the application, Illawarra Coal has undertaken a number of consultation activities in order to explain what is involved in the process and the type of exploration activity proposed.

These consultation activities have included information sessions held in the Wedderburn Resource Centre, letterbox drops of information, and a door-knock of residences in the exploration application area.

In order to continue this consultative process, it is the company's intention to establish a community reference group to specifically address the exploration activity in Wedderburn. Details of how this group will be established are currently being finalised including the appointment of an independent facilitator.

Above: Truck-mounted vibroseis equipment will be used for exploration activities in the Wedderburn area.

2009 MINERALS EDUCATION BURSARY SCHEME APPLICATIONS NOW OPEN 06

ILLAWARRA COAL COALITION NEWSLETTER DEC08

Illawarra Coal and The NSW Minerals Council are inviting senior secondary students to apply for the 2009 Minerals Education Bursary Scheme (MEBS).

Students who will be in Year 11 or Year 12 in 2009 are eligible for the Scheme, which aims to encourage high school students to consider pursuing a career in the minerals industry.

Bursary recipients will receive a cash grant of \$500 for Year 11 students and \$1000 for Year 12 students sponsored by Illawarra Coal, in conjunction with the NSW Minerals Council to assist them in furthering their study pursuits.

Students who attend schools within the communities surrounding the Company's operations in the Wollondilly and Illawarra regions are eligible for the Illawarra Coal-sponsored grants. These schools include:

- Ambarvale High School
- Broughton Anglican College
- Camden High School
- John Therry Catholic High School
- Picton High School
- St Gregory's College
- St Patrick's College, Campbelltown
- Magdalene Catholic School, Narellan.

The MEBS program offers students with an interest in the minerals industry access to industry-based resources to explore possible



Above: In 2008, Illawarra Coal and the NSW Minerals Council awarded Minerals Education Bursaries to five Year 11 and Year 12 high school students from the Wollondilly and Illawarra regions.

minerals career opportunities, including invitations to attend open days at mine sites and universities, careers expos, and minerals careers dinners.

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.

Successfully applicants 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.

Written applications for the Minerals Education Bursary Scheme are due by Friday 13 March 2009.

Further information about the program and application forms for the 2009 MEBS program can be found at <http://www.nswmin.com.au/education/careers>.

ILLAWARRACOAL

Pride, passion, performance

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ILLAWARRA COAL COALITION NEWS

The community newsletter
of Illawarra Coal, BHP Billiton



Above: Members of the Appin Area Community Working Group recently celebrated 10 years since the Group's formation in 1998.

APPIN AREA COMMUNITY WORKING GROUP CELEBRATES 10 YEARS

THE APPIN AREA COMMUNITY WORKING GROUP (AACWG) HAS CELEBRATED 10 YEARS OF ACTIVE SERVICE IN THE WOLLONDILLY REGION.

Originally known as the West Cliff Community Forum, the Appin Area Community Working Group was established in 1998 to proactively address key community concerns in the Appin Area in regards to Illawarra Coal's operations.

Current AACWG members Barry Durman, Pat Durman, Christine Towndrow and Richard Walsh celebrated 10 years of continuous service, having been actively involved with the Group since its inaugural meeting in 1998. The Osgood family also celebrated 10 years of service with the AACWG, with Gary Osgood Snr serving many years with the Group, while his son Gary Osgood Jnr is now an active member.

Since its inception, the AACWG has maintained a close working relationship with Illawarra Coal, focused on identifying areas of improvement in the Company's approach to its operations and its community engagement strategy.

Long-time member Christine Towndrow said the AACWG was a real first in community consultation for Illawarra Coal's operations and the mining industry in general.

"Long before other mines were setting up community advisory groups, BHP advertised for interested community members to liaise with the wider community affected by the Company's activities," Christine said.

Across the last 10 years, the AACWG has engaged in a two-way consultation with Illawarra Coal on a wide range of issues concerning the Appin Area regarding the Company's operations, including environmental impacts of the mine, such as the impacts of underground mining on river systems; impacts and remediation to houses and infrastructure; alternative uses to coal-wash; transporting of coal and coal wash; and ensuring ongoing and effective consultation with the community using updates in Coalition News.

Illawarra Coal believes that the presence of the AACWG has helped the Company engage more effectively with the community and ensure that two-way communication between the community and the Company is ongoing and constructive.

Illawarra Coal would like to say thank you to all the local residents who have been involved with the AACWG over the last 10 years for their valuable contribution to the Group. The Company looks forward to working with the AACWG into the future to ensure that Illawarra Coal continues to effectively engage with the community and that community questions and concerns continue to be addressed.

Inside this Coalition News issue

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Coalition welcome

Welcome to the thirteenth 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 regular information about the Company's activities. Coalition News is distributed 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 NEW APPRENTICES

02



Above: Illawarra Coal has welcomed 13 new apprentices to its operations.

ILLAWARRA COAL HAS CONTINUED ITS COMMITMENT TO EMPLOYING LOCAL PEOPLE, WELCOMING 13 NEW APPRENTICES TO ITS OPERATIONS.

Each Illawarra Coal mine site (Appin, West Cliff and Dendrobium) has welcomed to the team two electrical and two mechanical apprentices, while the West Cliff Coal Preparation Plant will also host an electrical apprentice.

The young adults, aged from 16 to 23, are all locals from the Wollondilly, Illawarra and Southern Highlands regions.

The apprentices will spend the first six months at the University of Ballarat's Steelhaven Skills Centre, located at the Port Kembla Steelworks. Here they will complete an intensive development program including an accelerated TAFE course, prior to their placement onsite. While being trained onsite, the apprentices also continue their learning at TAFE, and also have the opportunity to pursue further post-trade studies in the final 18 months of their apprenticeship.



Above: The Illawarra Coal CPP Board is calling for applications from organisations that require funding for projects that can benefit the communities surrounding Illawarra Coal's Appin and West Cliff mines.

Illawarra Coal Community Partnerships Program Update

Appin Public School P and C has received CPP funding to purchase a much-needed Tasmanian Oak storage cabinet to store and display records relating to the school's longstanding history.

Appin Primary School was built in 1867 and is the oldest sandstone building in continuous educational use in Australia and its records are of great historical and cultural significance locally, and state-and Australia-wide.

Meanwhile, the Douglas Park Community Catholic Hall Committee has received funds to replace four sets of the hall's exterior doors, improving security, and providing a greater level of comfort for groups using the venue.

Just as these Groups did, your organisation and local community could receive funding from the Illawarra Coal CPP.

The CPP Board is calling for applications from organisations that require funding for projects that can benefit the regions in which Illawarra Coal's Appin and West Cliff mines operate.

This year's first round of nominations closes on 31 March.

A range of projects will be considered in different fields such as aged care, education and youth, health and medical services, environment and heritage, town recreational facilities and arts and cultural projects.

To be eligible for CPP funding, projects must demonstrate:

- Sustainability — continued project life after funding
- Partnerships — community ownership of projects and joint funding
- Innovation — projects that meet needs and are not otherwise funded
- Broad community benefit and application.

Funding applications and further information can be obtained from Jennifer Finlay by emailing Jennifer.Finlay@BHPBilliton.com or calling 4255 3313.

Alternatively, applications and the CPP information brochure can be downloaded from the Illawarra Coal CPP website at www.bhpbilliton.com/illawarracoal/cpp.

The Illawarra Coal Community Partnerships Program (CPP) has given two local groups a happy start to the New Year, awarding some much-needed funding to the Appin Public School P and C and the Douglas Park Community Catholic Hall Committee.

BULLI SEAM OPERATIONS PROJECT COMMUNITY REFERENCE GROUP BEGINS 03

The Bulli Seam Operations Project Community Reference Group has begun its consultation with Illawarra Coal for the preparation of the Environmental Assessment (EA) for the Company's Part 3A application for its Bulli Seam operations.

The inaugural meeting of the Group was held on 10 February, which acted as an introductory forum between community members the Illawarra Coal team.

The CRG is made up of nine volunteer members from the local community, two representatives of Illawarra Coal and has an independent facilitator. Residents of Appin, Douglas Park, Maldon, Menangle, Picton, Wedderburn and Wilton nominated to join the Group, following a call for Expressions of Interest through advertisements in local newspapers and the Coalition News.

Members of the CRG will provide their experience and time to work with Illawarra Coal over the coming months as the Company prepares its Environmental Assessment for the Bulli Seam Project.

Illawarra Coal is currently preparing a Part 3A application for its Bulli Seam operations, which will address the continued operations of the Company's mining in the Bulli coal seam — the

Appin and West Cliff Mines and their associated operations. Preparing the application is a requirement of the NSW Environmental Planning and Assessment Act.

The Environmental Assessment (EA) is the first step for Illawarra Coal in preparing its comprehensive and integrated long term mining and management plan for its Bulli Seam operations.

The CRG will meet monthly during the Environmental Assessment process, which is expected to take place from February to July this year.

It is anticipated that the EA will be finalised and ready for submission to the NSW Government by July and, following a government review process, would be placed on public exhibition.

Your local Bulli Seam Part 3A Community Reference Group members are:

- Peter Chaffer, Wilton
- Kevin Cannon, Douglas Park
- Barry Durman, Wedderburn
- Michael Reardon-Small, Menangle
- Wendy Lewis, Pheasants Nest
- Marilyn Dollemore, Razorback
- Noel Tromp, Douglas Park
- Paul Shipley, Douglas Park
- Ernie Ring, Appin.



Above: The Bulli Seam Operations Project CRG will help consult with Illawarra Coal as it prepares its Environmental Assessment for its Bulli Seam operations, which will consider the future impacts of the Company's operations on natural and man-made surface features including railways, roads, flora, fauna, cultural heritage, rivers and streams.

MEBS students take a look underground

Four local high school students swapped school uniforms for overalls recently in an underground tour of West Cliff Mine.

The four Wollondilly and Illawarra students travelled underground as part of their involvement in the 2008 Minerals Education Bursary Scheme (MEBS), which provides senior secondary high school students the opportunity to explore career options in the minerals industry.

These students were awarded bursaries in late 2008, after demonstrating their interest in pursuing a career in the minerals industry through proven personal and academic capabilities.

The MEBS Program is run by the NSW Minerals Council and sponsored by Illawarra Coal (and other mining companies). The bursaries entitle the Year 11 and Year 12 students to an Illawarra Coal-sponsored cash grant of \$500 or \$1,000 to assist them in their study pursuits, as well as access to a range of minerals industry opportunities, including Illawarra Coal mentor support, attendance at minerals-related

activities such as career expos and mine site open days, and on-site work experience.

Illawarra Coal is again sponsoring the Minerals Education Bursary Scheme in 2009 in conjunction with the NSW Minerals Council.

The Company will offer \$500 and \$1,000 bursaries to senior secondary students who attend schools within the communities surrounding the Company's operations in the Wollondilly and Illawarra regions and demonstrate an interest in learning more about career opportunities in the minerals industry.

Schools eligible for the Illawarra Coal-sponsored grants include:

- Ambarvale High School
- Broughton Anglican College
- Camden High School
- John Therry Catholic High School
- Picton High School
- St Gregory's College
- St Patrick's College, Campbelltown
- Magdelene Catholic School, Narellan.



Above: Illawarra Coal MEBS mentors Rhys James (left) and Luke Davis (right) accompanied Matthew Crisafi, Patrick Meaney, Lachlan McInnes and Romeo Harb underground at West Cliff recently.

Successful applicants who go on to complete the first year of a minerals-related undergraduate degree within 12 months of completing their Higher School Certificate will be eligible for an additional \$2,000 undergraduate bursary.

Further information about the Scheme and applications for the 2009 MEBS program can be found at <http://www.nswmin.com.au/education/careers>.

ILLAWARRA COAL HELPS ENCOURAGE TEENS TO GET READING THIS SUMMER 04

ILLAWARRA COAL COALITION NEWSLETTER FEB09

TEENAGERS THROUGHOUT THE MACARTHUR REGION HAVE BEEN GIVEN EXTRA INCENTIVE TO PICK UP A BOOK THIS SUMMER, THANKS TO THE INAUGURAL MACARTHUR YOUTH SUMMER READING PROGRAM SPONSORED BY ILLAWARRA COAL.

Wollondilly, Campbelltown and Camden Councils ran the Program from December to February, with an aim to promoting reading and literacy to young people during the summer school holidays.

The program specifically encouraged teenagers in reading, writing and engaging with literature, and followed the region's successful participation in the national "Get in the Game, READ" program for children aged between 0 and 12 for a number of years.

The Program was a great success in the Wollondilly region, with 60 young people registering, and who managed to read a total of 300 books throughout the summer. A further 200 young adults from the wider Macarthur region also participated in the program.

Through the program, teenagers who registered at their local library received a logbook where they recorded the titles of each book they borrowed and read from the library. Participants received a ticket into a prize draw for every book read and recorded in the logbook, and additional

tickets were awarded to participants who also handed in reviews of the books they had borrowed and read.

Picton Library's Young Adult Library Officer, George Konstanta said sponsorship from companies such as Illawarra Coal helped give young adults further encouragement to participate in the Macarthur Youth Summer Reading Program.

"We know that getting and keeping young people reading is essential to improve literacy skills in our community, and it has been great to run this program so that we can encourage our young people to do just that," George said.

"Sponsorship from companies such as Illawarra Coal allows us to provide real incentives in the form of great prizes."

Funding from Illawarra Coal and other local companies helped the Councils to reward the participants with over \$3,000 worth of prizes, including passes to Taronga Zoo, the Sydney Observatory, the Australian National Maritime Museum, IMAX Theatre, Luna Park, as well

as shopping vouchers to spend at Macarthur Square.

Below: Charlotte Bond-Quist from Picton High School was one of the lucky prize winners thanks to her participation in the Macarthur Youth Summer Reading Program.



BOOKS NEEDED — Lifeline Macarthur Big Book Fair

Lifeline Macarthur is holding its annual Big Book Fair and needs your help!

The Big Book Fair will take place across the weekend of the 29th to 31st May at the AH&I Hall in Camden. The Fair is one of the major fundraising events for Lifeline Macarthur, with funds raised supporting Lifeline's range of community welfare services.

Illawarra Coal would like to encourage local residents to donate their much-loved books to the Big Book Fair so that other people can enjoy the stories while raising much-needed funds for Lifeline Macarthur.

Illawarra Coal is offering its Appin Community Office (located at the Appin Shops on Appin Rd) as a book collection point for Wollondilly residents. The Office is open on Tuesdays from 9.30am to 2pm and on Thursdays from noon to 4pm.

Any type of book can be donated, old or new, including fiction, non-fiction, children's, art, science, literature, history, royalty, military, travel, cooking, gardening, craft, sport, new age,

self-help, music, education and reference books.

Books can also be left at Lifeline Macarthur retail shops, located throughout the Wollondilly and Macarthur regions.

Lifeline Macarthur is a local community service, which means that the funds raised stay in the local community and are used to help local people talk about their problems and find ways to solve them.

So why not take the opportunity to clean out the bookshelves and select some books that you believe others would enjoy reading and donate them to Lifeline Macarthur's Big Book Fair!

 **Lifeline**
Macarthur



ILLAWARRA COAL EMPLOYEES GIVE GENEROUSLY TO THE SMITH FAMILY 05

HUNDREDS OF LOCAL FAMILIES HAD THEIR CHRISTMAS DAY BRIGHTENED THROUGH THE GENEROSITY OF ILLAWARRA COAL EMPLOYEES WHO DONATED GIFTS TO THE ILLAWARRA COAL CHRISTMAS GIVING TREE IN AID OF THE SMITH FAMILY.

In the third year of what has become a very successful initiative, Illawarra Coal employees again responded with kindness and generosity to the call for the donation of Christmas gifts for local disadvantaged children and teenagers.

Hundreds of presents were donated to the Christmas Giving Tree appeal set up at Illawarra Coal's Appin, West Cliff and Dendrobium sites and Port Kembla regional office.

Many employees placed gifts under the Giving Trees located across the sites, while others took up a collection of funds, which was used to purchase a selection of toys for girls and boys of all ages.

Employees from West Cliff also donated gift cards received for safety performance recognition to disadvantaged families to purchase food and toys for their Christmas celebrations. This generosity was further enhanced by an impressive donation by the West Cliff branch of the CFMEU of \$1,000 for the purchase of gifts.

The gifts and donations were handed over to The Smith Family for distribution to local children and teenagers in its Learning for

Life program, which is an education support project providing financial assistance to parents and carers for the education needs of their children.

The Smith Family's Jennifer Reilly said that the generosity and kindness shown by Illawarra Coal employees would help relieve some of the financial burden for less fortunate families during the Christmas period.

"The families involved in the Learning for Life program greatly appreciated Illawarra Coal employees' generosity through their donations to the Christmas Giving Tree Appeal," Jennifer said.

"We support over 1100 local students and the task of spreading cheer at Christmas time by way of gifts for the children and food hampers to help parents and carers is a huge task and the support from Illawarra Coal has been greatly appreciated."

Below: Appin employees Phil Smith and Brett Jones were on hand recently to hand over toys donated by the site to the Illawarra Coal Christmas Giving Tree Appeal to The Smith Family's Jennifer Reilly.



Marquee for hire

Illawarra Coal has two small marquees (3 metres x 3 metres) available for free loan. Members of the public are welcome to borrow the marquees for community events to provide some much needed shelter and protection.

The marquees can be booked individually or as a pair for short periods of time (e.g. weekends).

The marquees feature an easy-to-use pop-up design with safety instructions, and come complete with pegs, ropes and a carry-bag.

If you are interested in booking a marquee, please contact Karen Parlato on 4255 3535 or at Karen.Parlato@BHPBilliton.com for more information.



JOBS AT ILLAWARRA COAL

06

ILLAWARRA COAL COALITION NEWSLETTER FEB09

Illawarra Coal has been operating in the southern coalfields for close to 80 years and is a major employer within the Wollondilly and Illawarra regions, providing direct employment benefits for 1000 people and their families, and flow-on employment benefits for almost another 5000 people.

The Company advertises a range of jobs and employment opportunities throughout the year and is keen to encourage local people in the communities surrounding Illawarra Coal's operations to become involved with the business.

Interested job seekers can find up-to-date job notices for positions across all of Illawarra Coal's sites in the window of the Appin Community Office (Appin Shops on Appin Rd, Appin).

The BHP Billiton website (jobs.bhpbilliton.com) is also a useful tool to explore job opportunities not only at Illawarra Coal, but also throughout BHP Billiton's other sites throughout the world.

The website offers two useful functions: the job search tool, which allows people to search for current job opportunities by entering or selecting particular criteria; and the email

alert tool, which sends an email notifying you when positions become available that match your search criteria.

Illawarra Coal also offers apprenticeships in the Electrical and Mechanical (Fitting and Machining) Trades, providing a combination of on-site, off-site and TAFE training (see article page 2). The next round of apprenticeships will be advertised in local newspapers, on online job websites and the BHP Billiton website in August 2009, for an intake in January 2010.

University students have the opportunity to develop their business skills through two key programs offered by Illawarra Coal. The Illawarra Coal Graduate Program enables graduates to combine their technical capability with new sets of people skills and knowledge of the BHP Billiton business as they experience a range of positions across our Illawarra Coal sites.

The Illawarra Coal Vacation Student Program offers second and third-year university students paid work during summer which provides on-the-job experience and the chance to explore career options within Illawarra Coal.



Above: Illawarra Coal employs 1000 local people directly and another 1000 local contractors.

If you are interested in further information about jobs at Illawarra Coal please check out the BHP Billiton website, or alternatively drop past the Appin Community Office to view the window notices for updated employment opportunities, or to speak to a Company representative — the office is open from 9.30am to 2pm Tuesdays and noon to 4pm Thursdays.

ILLAWARRACOAL

Pride, passion, performance

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ILLAWARRA COAL INFORMATION PACK AND DOUGLAS PARK COMMUNITY INFO SPOT

In this pack you will find a series of fact sheets that provide information about Illawarra Coal, including our history of mining in the region, employment, our environmental initiatives, our community consultation programs, and our community support.

If you would like to find out more, come along to our **Douglas Park Community Info Spot** at the Douglas Park Community Hall.

The Community Info Spot will be held:

- Every 3rd Saturday of the month 10am-2pm
- Every 1st Thursday of the month 12pm-4pm

The Info Spot will commence **Saturday 18 April 2009**.

Illawarra Coal representatives will be on hand to discuss mining activities in the Wollondilly area, as well as any other community questions relating to our operations.

Alternatively, 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.

For more information please contact:

Zina Ainsworth, Community Relationships Co-Ordinator, Illawarra Coal

Phone: (02) 4255 3319 or 0438 284 106

Email: Zina.M.Ainsworth@BHPBilliton.com

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the
facts

mining and rivers



OUR COAL IS MINED FROM TWO OF AUSTRALIA'S RICHEST COKING COAL SEAMS – THE WONGAWILLI COAL SEAM, AND THE BULLI COAL SEAM.

Mining in the Illawarra and Wollondilly regions for almost 80 years, Illawarra Coal currently operates three underground longwall mines – Dendrobium, Appin, and West Cliff to produce premium quality coking coal for steelmaking.

We have a long and proud history of working in these regions to provide highly valued coking coal for the local steel industry, and an economic contribution to the region which is second to none in terms of employment flow-on effects.

Our Appin and West Cliff mines operate in the region of the Georges, Cataract and Nepean Rivers. Our Dendrobium Mine operates in the Cordeaux Dam catchment area.

Longwall mining results in surface subsidence to natural and man-made features and mine plans are developed with these features in mind, using world class subsidence prediction modelling.

None of Illawarra Coal's current operations, or current applications to mine, have longwalls positioned directly beneath a river. In seeking approval to mine the current longwalls at Appin, Illawarra Coal made the decision to move the longwalls away from the river, sterilising millions of tonnes of coal.

✓ None of Illawarra Coal's current operations, or current applications to mine, have longwalls positioned directly beneath a river.



background

In the 1990s, Illawarra Coal mined directly beneath the Cataract River downstream of Broughton's Pass Weir, which resulted in impacts to the rockbars and gas bubbling. Now, with the passing of time, and increased flows from Broughtons Pass Weir, the affected area of that River (above) shows a different picture.

Illawarra Coal has not mined directly beneath any rivers since 2002 when the West Cliff operation was mining beneath the upper sections of the Georges River – Marhnyes Waterhole and Jutts Crossing.

In preparing to mine beneath this area, and in seeking approval to mine, Illawarra Coal applied scientific subsidence prediction techniques and developed a management plan to address the expected impacts.

Prior to mining, Illawarra Coal carried out mitigation works to minimise impacts, particularly rockbar cracking, and further rehabilitated the area with success – the results speaking for themselves with water flows restored to pre-mining levels.



environment

Today, with longwalls set back from waterways and much improved subsidence predictions any impacts to waterways from mining are minor and temporary.

Longwalls of Appin Mine's Area 7 near Douglas Park, are positioned near to but not beneath the Nepean River. Impacts to date have been restricted to minor gas bubbles which are temporary in nature, and do not affect the water quality or quantity, or the river's aquatic life. (The gas comes from the sandstone surrounding the river – not from the coal seam.)

Area 5 of West Cliff mine has longwall panels near to, but not beneath the Georges River. Impacts from current longwall operations have resulted in some minor gas bubbling and one minor crack – both of which do not affect aquatic life, water quality or quantity.

want more info?

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- ▶ None of Illawarra Coal's mines operate longwalls directly beneath a river.
- ▶ Illawarra Coal has not mined directly beneath a river since 2002.
- ▶ Impacts to the Georges and Nepean Rivers were predicted and approved by Government.
- ▶ Minor gas bubbles are temporary and there is no evidence of impact to water quality, water quantity, aquatic life, fauna or riverbank vegetation.
- ▶ Recent impacts at the Nepean and Georges Rivers are quite different to those seen at the Cataract River in the 1990s, as mining occurred directly beneath the Cataract River – we are not mining directly beneath the Nepean or Georges Rivers.



the
facts

mining for the future



ILLAWARRA COAL HAS A LONG HISTORY OF SUCCESSFULLY USING COAL MINE METHANE GAS FOR POWER GENERATION.

Illawarra Coal is serious about reducing greenhouse gas emissions and has a long history of successfully using coal mine methane gas for power generation.

For almost two decades Illawarra Coal has been capturing and utilising the methane gas which, for safety reasons, is drained from coal seams prior to mining.

The gas has been piped to gas engine power plants near the townships of Appin and Douglas Park since 1996. The power plants are reducing the Company's greenhouse gas emissions by 2.0 to 2.5 million tonnes of carbon dioxide equivalent each year and producing sufficient electricity to power around 60,000 homes each year.

The Company is a net producer of electricity with the power generated by the gas engine power plants being exported to the state grid.

✓ Illawarra Coal's methane power plants are reducing the Company's greenhouse gas emissions by 2.0 to 2.5 million tonnes each year.



background

Not all the methane associated with the coal seam is able to be drained and used in the gas engine power plants. Small percentages of methane are present in ventilation air which is exhausted from the underground operations. To address this, Illawarra Coal, in partnership with international emission control specialist MEGTEC Systems AB, established the world-first WestVAMP power plant which has a wide potential application for global methane abatement and power generation.

The Company's \$30 million investment in the West Cliff Ventilation Air Methane Project (WestVAMP) takes its commitment to greenhouse gas reduction even further and maintains its position as the industry leader in reducing greenhouse gas emissions from underground coal mining activities.



WestVAMP in action

WestVAMP uses the extremely dilute methane in the ventilation air from West Cliff mine to generate electricity. It uses up to 20 per cent of the mine ventilation air to achieve a further reduction in greenhouse gas emissions for Illawarra Coal of 250,000 tonnes of carbon dioxide equivalent every year – the same as eliminating emissions from 45,000 cars each year ... or rather a lot of cows! (A cow emits 50-100 kilograms of methane each year.)

Officially opened in 2007 WestVAMP has received world-wide acclaim receiving the Australian Institute of Energy Award and the United States Environmental Protection Agency's Climate Protection Award.

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- ▶ Illawarra Coal is NSW's largest single contributor to greenhouse gas emission reduction.
- ▶ Illawarra Coal produces more electricity than it uses.
- ▶ Illawarra Coal's methane gas power initiatives have routinely abated greenhouse gas emissions by up to 2.5 million tonnes of carbon dioxide equivalent each year.
- ▶ WestVAMP has received international recognition – winning the US EPA Climate Protection Award and the Australian Institute of Energy Award.
- ▶ WestVAMP's contribution to greenhouse gas reduction is the equivalent of removing 45,000 cars from the road each year.



the
facts

history of mining



WE HAVE A LONG AND PROUD HISTORY OF PRODUCING PREMIUM QUALITY COKING COAL FOR STEELMAKING.

Mining in the Illawarra and Wollondilly regions for almost 80 years, Illawarra Coal currently operates three underground longwall mines – Dendrobium, Appin, and West Cliff to produce premium quality coking coal for steelmaking.

Our coal is mined from two of Australia's richest coking coal seams – the Wongawilli coal seam, and the Bulli coal seam.

We have a long and proud history of working in these regions to provide the highly valued coking coal for the local steel industry, and an economic contribution to the region which is second to none in terms of employment flow-on effects.

Without our mining, these jobs and other economic benefits would be lost to the Illawarra and Wollondilly regions.

✓ None of Illawarra Coal's current mine plans have longwalls positioned beneath a river.



background

With more than 2,000 full-time local employees and contractors working for us, and a flow-on effect of close to five thousand more jobs in the regions, we spend more than \$330 million on goods, materials and services locally, utilising the services of 600 small and medium sized businesses – like the Appin Corner Cafe, or Nepean Conveyors Group.



environment

Aware of the sensitive areas in which we operate, and that our mining does have impacts to the environment, our team of people is dedicated to pursuing sustainable operations for the future.

None of Illawarra Coal's current mine plans have longwalls positioned directly beneath the Georges, Nepean or Cataract Rivers.

Before we get approval to mine we must actively engage all relevant stakeholders in a rigorous assessment process aimed at ensuring that the economic and social benefits of producing coal are tested against potential environmental impacts. This process includes:

- ▶ Preparation of comprehensive environmental assessments and studies by independent expert consultants
- ▶ Consultation with all relevant stakeholders including representatives of community, government agencies, traditional landowners, infrastructure owners, and individual property owners
- ▶ Development of detailed assessments and subsidence management plans by independent mine subsidence experts and environmental consultants
- ▶ Detailed subsidence monitoring and management commitments which include pre and post mining monitoring of all areas, regular reporting of any impacts to stakeholders, and the avoidance, minimisation, mitigation and rehabilitation of those impacts.

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the
facts

- ▶ For every one person employed directly by Illawarra Coal a further 5 jobs are created.
- ▶ Illawarra Coal mines premium quality coking coal for steelmaking.
- ▶ Illawarra Coal actively engages stakeholders in a rigorous assessment process.
- ▶ None of Illawarra Coal's current mine plans have longwalls positioned beneath a river.
- ▶ Illawarra Coal spends more than \$330 million on goods, materials and services locally.
- ▶ Illawarra Coal has been operating in the Illawarra and Wollondilly regions for close to 80 years.



the
facts

employment



FOR EVERY ONE PERSON EMPLOYED AT ILLAWARRA COAL, A FURTHER FIVE LOCAL JOBS ARE CREATED – A FLOW-ON EFFECT SECOND TO NONE IN THE REGION.

Mining in the Illawarra and Wollondilly regions for almost 80 years, Illawarra Coal currently operates three underground longwall mines – Dendrobium, Appin, and West Cliff to produce premium quality coking coal for steelmaking.

Our coal is mined from two of Australia's richest coking coal seams – the Wongawilli coal seam, and the Bulli coal seam.

We have a long and proud history of working in these regions to provide the highly valued coking coal for the local steel industry, and an economic contribution to the region which is second to none in terms of employment flow-on effects.





background

At Illawarra Coal we employ 1000 local people directly and another 1000 local contractors. An economic study conducted by IRIS Research shows that for each of the people directly employed by Illawarra Coal a further 5 jobs (including our 1000 contractors) are created in the Illawarra and Wollondilly regions. This is the largest employment flow-on effect of any regional industry sector and represents \$278 million in household income.

These flow-on effects include jobs for people who work in a range of industries, businesses and services such as coal transport, hospitality, fabricating, information technology and of course the steel industry.

Illawarra Coal contributes a disproportionately important benefit of 4.4 per cent to the Gross Regional Product compared to other similar sized businesses in different industry sectors in the region. This represents a total sales turnover of approximately \$1,392 million, and accounts for 3 per cent of employment in the combined Illawarra and Wollondilly regions.

Further to this Illawarra Coal spends more than \$330 million annually on regional suppliers and, overall, New South Wales suppliers account for 85 per cent of our total goods, materials and services spend in Australia.



flow-on effects

Illawarra Coal has a large and positive benefit on employment in other industries, including the retail, personal and business sectors of the economy. The impacts on the personal and business services sectors of the economy are driven by Illawarra Coal's direct requirement for services, including labour hire. Impacts on the retail sector are driven by the spending power of Illawarra Coal employees.

Illawarra Coal employs people in a variety of fields including; mine machine operators, geologists, engineers, tradespeople, environmental scientists, commerce and accounting, apprentices, and graduates.

When positions become available these are advertised in local or state newspapers including the Illawarra Mercury and Wollondilly Advertiser, and also at Illawarra Coal's Appin Community Office.

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- ▶ For every person employed directly by Illawarra Coal a further 5 jobs are created.
- ▶ 2000 local people work for Illawarra Coal as employees or contractors.
- ▶ Illawarra Coal alone accounts for 3 per cent of employment in the Wollondilly and Illawarra regions.
- ▶ Illawarra Coal contributes directly and indirectly approximately \$1,392 million to the region in sales turnover (4.4 per cent of GRP).
- ▶ Illawarra coal spends more than \$330 million annually on regional suppliers.



the
facts

engaging the community

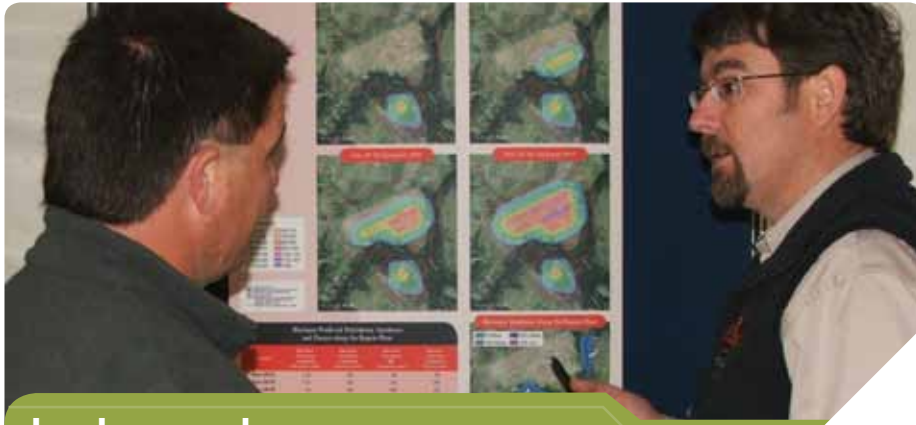


ILLAWARRA COAL
RECOGNISES IT HAS
A RESPONSIBILITY
TO CONTINUALLY
CONSULT WITH THE
COMMUNITIES IN
WHICH IT OPERATES.

Illawarra Coal recognises it has a responsibility continually consult with the communities in which it operates, to provide updated information about its operations and future plans, and to listen to and address community concerns and achieve mutually beneficial outcomes.

The Appin Area Community Working Group (AACWG) is a community consultative forum that serves to enable regular two-way communication between the community and Illawarra Coal, and acts as an effective outlet for Illawarra Coal to maintain communication with the community regarding its operations in the Wollondilly region. In the Illawarra region, the company also consults with the Dendrobium Community Consultative Committee.

✓ The structure of a 'Working Group' allows the AACWG to work constructively with Illawarra Coal.



background

Established in 1998, the AACWG's focus is to ensure the environmental, social and economic sustainability of the communities that surround Illawarra Coal's operations, including the towns and communities of Appin, Douglas Park, Menangle, Wedderburn, Wilton and the southern parts of Campbelltown.

The structure of a 'Working Group' allows the AACWG to work constructively with Illawarra Coal to ensure that community issues and concerns in relation to the company's operations in the region are identified and addressed.

The Group can be regarded as a 'community voice' that provides a greater awareness and understanding of community opinions and concerns connected with Illawarra Coal activities. Members are encouraged to present current issues, concerns and opportunities to Illawarra Coal, as well as to provide a flow of information and feedback on the outcomes of the AACWG's work to the other groups they represent.



how it works

The AACWG is a forum of invited members who represent a cross section of community groups and organisations in the local area. The Group currently consists of eight community members, some of whom have been involved since the Group's inception, and others who have more recently joined.

The AACWG welcomes new members and encourages residents, both new and long-term, to consider becoming a member of the Group.

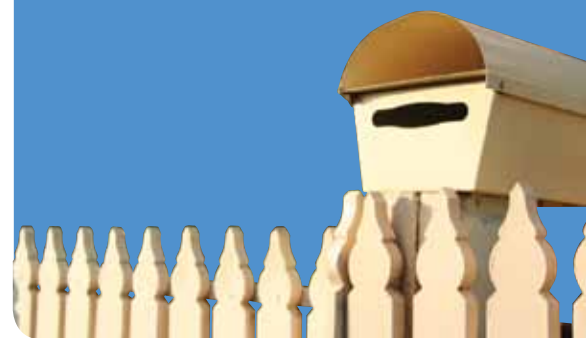
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the facts

- ▶ The AACWG is focused on ensuring the environmental, social and economic sustainability of the communities that surround Illawarra Coal's operations.
- ▶ The Group is made up of members from the local Appin, Douglas Park, Menangle, Wedderburn, Wilton communities and the southern parts of Campbelltown.
- ▶ The AACWG provides a 'community voice' to ensure a two-way flow of information between Illawarra Coal and the community on mining issues.
- ▶ The Group meets on the third Tuesday of the month at the Appin Community Office in Appin.
- ▶ In the Illawarra region, Illawarra Coal also consults via the Dendrobium Community Consultative Committee.



the
facts

working for the community



ILLAWARRA COAL HAS AN OVERRIDING COMMITMENT TO SUPPORTING THE COMMUNITIES IN WHICH IT OPERATES.

Illawarra Coal is committed to supporting the communities in which it operates. The Company has a long proud history of supporting community programs and projects through various funding initiatives, including donations of land, infrastructure and services; in-kind professional support; and simply lending a hand when needed.

The Company has established three key programs to enhance the community contributions of Illawarra Coal: it has two community-based spending programs which are administered by Boards of community and company representatives – the Illawarra Coal Community Partnerships Program (CPP) and the Dendrobium Community Enhancement Program (CEP), as well as the Illawarra Coal Donations and Sponsorships Committee.

In an average financial year, Illawarra Coal contributes more than \$800,000 to worthwhile social projects and programs in the Illawarra and Wollondilly regions through these three initiatives.

✓ In an average financial year, Illawarra Coal donates more than \$800,000 to worthwhile social projects and programs.



background

The Illawarra Coal Community Partnerships Program (CPP) was established in 2004 to further the Company's commitment to the communities in which its Appin and West Cliff mines operate, by supporting community projects and initiatives. Since its inception, the CPP has contributed more than \$510,000 to more than 50 worthwhile initiatives in the Wollondilly region in areas such as education, environment, health, town recreational facilities, youth and heritage.

The Dendrobium Community Enhancement Program (CEP) is focused on supporting community projects with a vision to make Mt Kembla the pre-eminent historical village in the Illawarra. Since its inception (also in 2004), the Dendrobium CEP has already awarded over \$390,000 to a variety of projects, including the establishment and continuation of the Mt Kembla Heritage Centre, a heritage pathway, and a playground at Mt Kembla Primary School.



donations and sponsorships

Illawarra Coal's Donations and Sponsorships Committee is administered by a group of Illawarra Coal representatives, who each year commit more than \$150,000 to applications from individuals, groups and organisations throughout the Illawarra and Wollondilly regions. Recent programs and projects that have received funding include the Wollondilly Bass Club, the Illawarra Coal Regional Science Fair, and University of Wollongong Science Centre.

The wide range of projects and programs supported by Illawarra Coal through our CPP, CEP and Donations and Sponsorships Committee highlight the Company's interest in providing continued support in key areas of need within the communities in which we operate.

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▶ Since its inception, the Illawarra Coal CPP has helped fund more than 50 worthwhile initiatives in the Wollondilly.

▶ The Dendrobium CEP is focused on providing funding for community projects to help make Mt Kembla the pre-eminent historical village in the Illawarra.

▶ Illawarra Coal seeks to support projects that are aligned with the Company's values of: integrity; courage to lead; decisions based on facts; high performance; and a commitment to health, safety, environment and community.

▶ In an average financial year, Illawarra Coal commits more than \$800,000 to worthwhile community projects and programs in the Illawarra and Wollondilly regions.

