

1 GENERAL MANAGERS MESSAGE

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2 FROM THE COAL FACE



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3 MT OWEN MINE WINS 2005 COAL AWARDS



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4 COMMUNITY NOTICEBOARD

24 HOUR CONTACT NUMBER
The number is the same as Mt Owen Switch Phone Number 0265 700 800.

Managed by

xstrata
coal

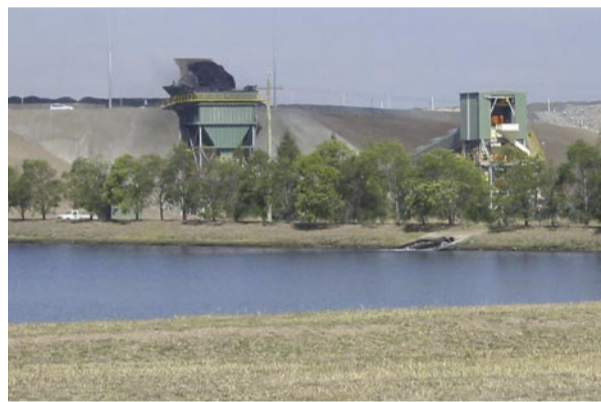
MT OWEN TWO-WAY

The Mt Owen Two-Way Issue No.6 December 2005

From the Coal Face

New Dump Hopper Commissioned

In September 2005 Xstrata Mt Owen completed construction of a new Run of Mine (ROM) coal dump station and coal clearance system. The project was the culmination of over 10 months of site construction and several years of engineering design. The new ROM coal facility is designed to receive coal from the adjacent Ravensworth East Mine and future Glendell operations for coal delivery direct to the existing Mt Owen Coal Handling and Preparation Plant (CHPP). The new ROM Dump Station will result in the effective reduction in coal haulage and subsequent environmental benefit of less haul roads to maintain.



The new Ravensworth East ROM Dump Hopper was commissioned in September 2005.

Mt Owen Mine Wins 2005 Coal Industry Awards

Hosted by the Hunter-Central Rivers Catchment Management Authority (HCRCMA) and sponsored by local businesses and organisations, the Coal Industry Environmental Awards are held every 2 years and recognise excellence in environmental management within the NSW mining industry.

A combined Xstrata Mt Owen and Thiess nomination was submitted for the 2005 awards for the Mt Owen Biodiversity Management Programme. The judging process included the submission of a detailed report and a site visit by a judging panel appointed by the CMA.

Mt Owen's application included details of:

- management of biodiversity conservation areas at Mt Owen Mine;
- progressive rehabilitation of mined land and buffer land to native forest and woodland;
- flora and fauna management and monitoring programme; and
- programme of native forest restoration research in conjunction with the University of Newcastle.



Geoff Marschke (Thiess Mt Owen), Wendy Williams (Mt Owen Complex CCC), Patricia Bestic (Mt Owen Complex CCC), Alan Noble (Mt Owen Complex CCC), Brian Thomas (Mt Owen Complex CCC) and Nigel Charnock (Xstrata Mt Owen) at the Awards Ceremony.

At a ceremony in Pokolbin on the 29th November, Mt Owen was announced the winner of the 2005 awards. Mt Owen was represented at the awards ceremony by Xstrata and Thiess personnel, Newcastle University representatives and several Mt Owen Complex CCC members.

A great afternoon was enjoyed by all.

A copy of Mt Owen's nomination for the 2005 CMA Awards Application is available on the Mt Owen website at www.mtowencomplex.com.au

Message from the

General Manager

Welcome to Mt Owen's latest Community Newsletter developed to provide you with an overview of our mining operations and an update on our recent environmental management and community initiatives. As always, we welcome your feedback and encourage you to return the enclosed feedback form or contact us with your comments.

In particular, I am delighted to report that Mt Owen was recently awarded the 2005 Hunter Central Rivers Catchment Management Authority Coal Industry Environmental Awards for its Biodiversity Management Programme. The newsletter also provides you with information on the recent commissioning of our new coal dump station, the expansion of our existing native forest restoration programme, the commencement of a significant environmental enhancement project in the Yorks Creek catchment, and the continued development of our new website. These important initiatives are touched on in further detail throughout the newsletter.

Sadly, after a period of approximately five years at Mt Owen, I will be departing at the end of 2005 to take up a new position with Xstrata Coal based at the Bulga Mine Office. Trevor Wells, who is currently Operations Manager at Xstrata's nearby Liddell Mine, will start at Mt Owen in January 2006 as Operations Manager. On a similar note, Geoff Marschke, who has held the position of Thiess Environmental Manager at Mt Owen for more than ten years, recently departed to take up the role of Environmental Manager, Thiess NSW Mining. I wish Trevor and Geoff all the best in their new roles and particularly, would like to thank Geoff for his tireless efforts at Mt Owen.

Just to note, Hunter Valley Coal Corporation, which is a 100% subsidiary of Xstrata Coal, has changed its name to Xstrata Mt Owen. You will now see this name referred to in our communications.

On behalf of the Mt Owen team I wish everyone a merry Christmas and safe New Year and we look forward to keeping you informed of our progress in 2006.

Derek Walls
General Manager, Xstrata Mt Owen

Environmental Management Plans

In our last newsletter we reported that several environmental management plans and monitoring programs have been submitted to the Department of Planning (DoP) (formerly DIPNR) for review. For your information, we have recently prepared a Draft Flora and Fauna Management Plan for the Mt Owen Complex and circulated it to the Mt Owen Flora and Fauna Advisory Group for comment. The Advisory Group oversees the implementation of flora and fauna management at Mt Owen Mine and comprises government representatives, representatives from the Hunter Environment Lobby and Mt Owen Mine. Following review by the Advisory Group, the Plan will be submitted to the DoP for its review. Once approved by the DoP, the Plan will replace the existing Plan of Management for Revegetation and Wildlife Management in place.

Copies of all plans and programs will be available at the Mt Owen Complex website www.mtowencomplex.com.au following their approval by the DoP.



The Awards Judging Panel during their site visit to Mt Owen Mine.

MT OWEN TWO-WAY



Mt Owen Expands Existing Native Forest Research Program

In conjunction with the University of Newcastle, Mt Owen has commenced to assist with the implementation of further targeted research. You may recall that the Biodiversity Offset Strategy is the primary means to offset the impacts of the recently approved Mt Owen Mine extension on threatened native fauna within the project area.

Xstrata Mt Owen has committed significant funding to the research programme over 5 years, which will complement on-going native forest restoration research at Mt Owen and build on our relationship with Newcastle University. A major component of the research programme is research training. The University of Newcastle plans to recruit a number of Honours and PhD students to assist with developing outcomes from the programme.

The main aim of the research is to determine best practice methods to restore and monitor the establishment of sustainable forest and woodland communities on degraded pasture lands. We plan to hold community field days to promote the achievements at various stages during the project.



The Biodiversity Offset Strategy Research Programme will provide further opportunities for field research training at Mt Owen Mine.

Community Noticeboard

24 Hour Contact Number

A 24 hour Emergency Contact Number has been established for the Mt Owen Complex. The number is the same as Mt Owen Switch Phone Number (0265 700800). During office hours calls will be answered by the receptionist. After hours you will be directed to a short list of options, with the second option being an emergency site contact. Upon selecting this option you will be immediately directed to the Mt Owen Control Room, which is manned 24 hours a day, 7 days per week.

Please note the after hours system has been set for emergencies events, such as accidents and fires on or near the Mt Owen Complex, where site personnel may be able to render assistance. Community complaints or inquiries should be directed to the existing 24 hour freecall Community Response Line (1800 730883). Our Blasting Information Line (1800 248 745) also remain in operation.

Change to Mt Owen Complex Website Address

The address of the Mt Owen Complex Website address has changed to www.mtowencomplex.com.au. We are currently in the process of updating the website to include additional information on the Ravensworth East Mine, which forms part of the Mt Owen Complex. We have also started loading environmental monitoring data onto the website, which will be updated on the website at least every 2 months.

Thank you for taking the time to complete the feedback form circulated with our last newsletter as your feedback will help us to continually improve the format and content of the website. We encourage you to return the enclosed feedback form if you have any additional comments or suggestions.

Yorks Creek Remediation Project

The Yorks Creek Cultural Landscape Remediation Project involves the restoration of the upper reaches of Yorks Creek (a tributary of Bowmans Creek) on land owned by Xstrata Mt Owen to the west of Mt Owen Mine. The upper catchment of the Creek was extensively cleared many years ago to facilitate agricultural activities. The project, which commenced in September 2005, involves a partnership between Xstrata Mt Owen and the local indigenous community. A Working Group comprising representatives from the local indigenous community, Mt Owen and a land management consultant has been formed to guide the implementation of the project. Close involvement of the indigenous community is integral to the overall success of the project given the presence of indigenous sites throughout the project area and their significance to the indigenous community. Proposed works include the establishment of native tree and shrub species, erosion control and fencing to exclude stock over an approximate area of 200 hectares. Plantings will be designed to link with biodiversity offset areas and rehabilitation areas at Mt Owen, which will provide an expanded conservation area.

Xstrata Mt Owen views the project as an opportunity to enhance its relationship with the local Indigenous community and provide opportunities for on the job skills training. The project will also provide protection for additional archaeological sites within the upper Yorks Creek catchment, whilst achieving biodiversity and other environmental benefits.

We will continue to update the community on our progress with this project in future newsletters.



Aboriginal representatives from the Yorks Creek working group participated in recent fieldwork.

Community & Educational Support

Singleton Horse Sports Day

Xstrata Mt Owen was the major sponsor of the Singleton Horse Sports Day, which was held at the Singleton Showground in October 2005. The Horse Sports Day was organised by the Mt Pleasant Public School P&C and was a great success for the school, with 45 schools represented from across the region and over 180 children riding. The Horse Sports Day promotes a healthy active lifestyle for school children and provides an excellent opportunity for social interaction. Funds raised from the day will be used by the Mt Pleasant School P&C for improvements to educational and sporting equipment.



Xstrata Mt Owen Environment & Community Officer Nigel Charnock presents Singleton High School Students Casey Heuston and Lyneece Garland with a trophy for Champion Secondary School Point Score.

Mt Owen Operations Community Consultative Committee

Community Vacancy on the Mt Owen Complex CCC

The vacancy on the Mt Owen Complex CCC advertised in our last newsletter has been filled. We are delighted to welcome local resident Samantha Deaves to the Committee.

Unfortunately, community member Leanne Cramp has recently resigned. On behalf of the team at Mt Owen, I would like to thank Leanne for her valuable contribution to the Committee and wish her all the very best for the future.

Following Leanne's departure, a vacancy exists for another community representative to join the Committee. Interested persons should contact Brian Thomas at Singleton Council on 65 787351.

Update on CCC Meetings

It has been another busy year for the Mt Owen Complex CCC, particularly following the integration of the former Mt Owen, Ravensworth East and Glendell CCC's and the granting of a new Development Consent to Mt Owen in December 2004. The CCC met four times in 2005, with key actions including:

- Review of the implementation of key Mt Owen and Ravensworth East Consent conditions;
- Review of the Draft Mt Owen Complex Blast Management Plan prior to its submission to the DoP;
- Review of the Draft Mt Owen Early Morning Blasting Trial prior to its submission to the DEC;
- Providing feedback on the Mt Owen Complex website; and
- Participation at various forums including, community meetings, DoP CCC Guidelines Workshop and the HCRMA Awards ceremony.

Minutes of each meeting are available on the Mt Owen website.

On behalf of the Mt Owen Complex, I would like to thank the CCC members for their valuable contribution over the year. We truly appreciate the time they volunteer to attend Committee meetings and provide feedback to the Company.



Monitoring consultant Jeremy Pola from Advitech demonstrates the operation of a continuous noise monitoring unit to the Mt Owen Complex CCC during the November 2005 meeting.

1800 730 883

Mt Owen Community Response Line

If you have any inquiries or concerns in relation to the Mt Owen Operations, please contact the Mine on the 24-hour freecall Community Response Line.

1800 248 745

Mt Owen Blasting Information Line

For information on blasting times please contact Mt Owen Operations on the 24-hour freecall number.

0265 700 800

24 Hour Emergency Contact Number

For Emergency Events please contact Mt Owen Complex on the 24-hour number.