

BYLONG COAL EXPLORATION PROJECT

2010 EXPLORATION PROGRAM
FACTSHEET August 2010



WHO IS ANGLO AMERICAN METALLURGICAL COAL?

Anglo American Metallurgical Coal (AAMC) is one of Australia's leading metallurgical coal producers with extensive coal mining interests and prospects in Queensland and New South Wales.

AAMC is a wholly owned division of Anglo American plc, a global leader in mining and natural resources with coal operations in Australia, South America and South Africa.



Introduction

AAMC currently holds Authorisations 287 (A287) and 342 (A342) over a 10,300 ha area at Bylong, located approximately 55 km north of Rylstone and 100 km south-west of Muswellbrook in NSW. The location of A287 and A342 are shown on **Figure 1**.

A287 and A342 have been granted to AAMC by Industry & Investment NSW (I&I NSW) for the specific purpose of exploring for coal.

AAMC has recently reached an agreement with the Korea Electric Power Corporation (Kepco) to sell A287 and A342 following approval from the Foreign Investment Review Board. Regardless of this, AAMC has a commitment to the State of NSW as part of A287 and A342 to undertake a regular drilling program to enhance the State's mineral resources mapping and information.

The purpose of this Newsletter is to provide some background on AAMC and to introduce the community to the Bylong Coal Exploration Project and proposed 2010 Exploration Program.

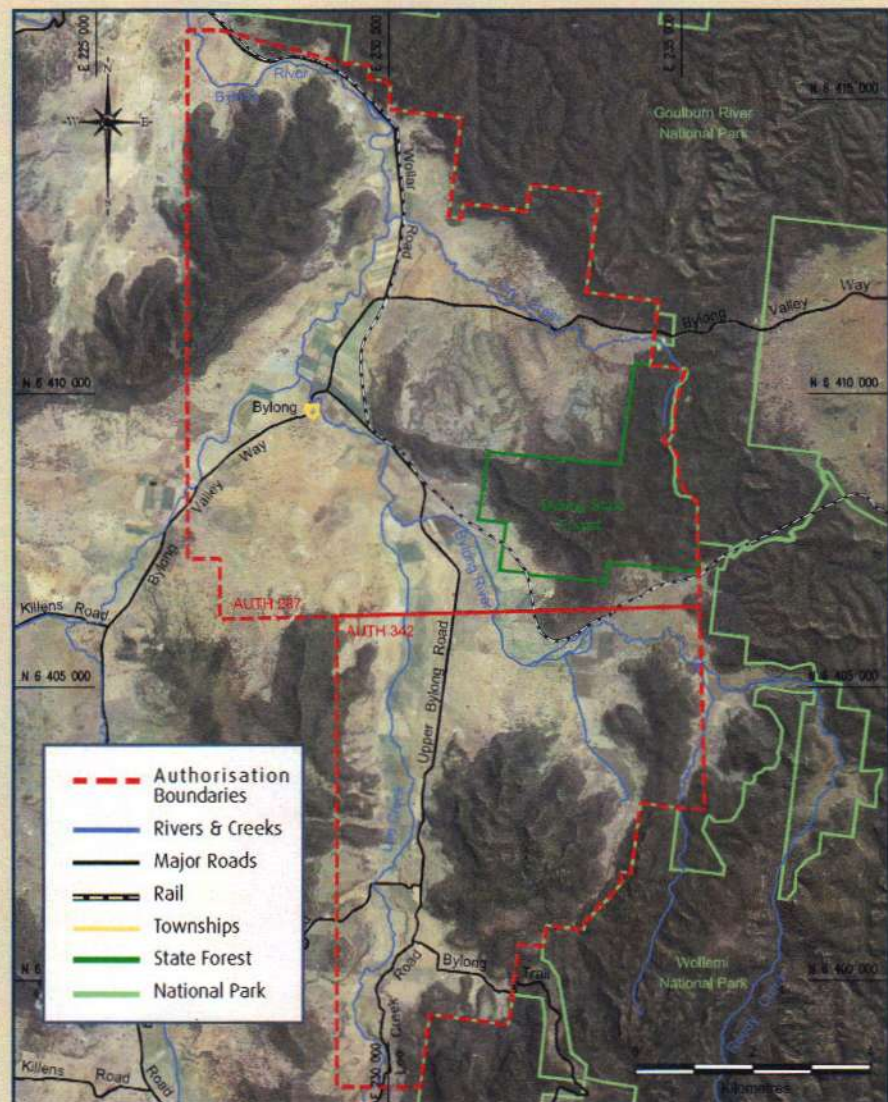


Figure 1: Bylong Exploration Project Boundaries



Proposed Exploration Activities

The proposed 2010 Exploration Program will involve the drilling of 18 open drill holes within A287 and A342. Eight of these will be cored drill holes where samples are collected for laboratory analysis.

A Seismic Reflection Survey will also be undertaken across A287 and A342, with the aim of obtaining geological data in a non-invasive manner from approximately 50 km of seismic profiles undertaken on public road reserves and existing tracks.

Due diligence assessments will be undertaken prior to any exploration activities to ensure the protection of ecological, archaeological and landowner values. Rehabilitation of exploration sites will occur progressively following the completion of activities at individual sites, in consultation with landowners.



What does the Bylong Coal Exploration Project mean for Landholders?

A287 and A342 provides AAMC with the sole right to explore for coal reserves within the area shown on Figure 1. The Authorisations do not automatically permit AAMC to access the private property of any landholder in the area for exploration studies without their prior agreement. Before commencing any exploration studies on private lands, AAMC is required to approach each relevant landholder to discuss a way forward that is acceptable to both parties and to put in place an Access Agreement. This process will generally involve the following steps:

- Meeting with landholder;
- Agreement in principle over the potential for land access;
- Finalising an Agreement reflecting the discussions;
- Site selection for drilling or other exploration activity with landholder;
- Exploration works; and
- Site rehabilitation at completion of works.

In accordance with the conditions of A287 and A342, all exploration work must be designed and managed to ensure that any potential environmental impacts are minimised and that appropriate rehabilitation is undertaken once work is completed.

Copies of the conditions of A287 and A342 are publicly available at I&I NSW and can be obtained by emailing webcoaltitles@industry.nsw.gov.au.

Community Consultation

A Community Consultation Program has been developed for the Bylong Coal Exploration Project and is now underway, with a number of landowners contacted to discuss the proposed exploration program.

Additionally, Hansen Bailey, a Singleton based environmental consultancy firm, will ensure best practice environmental management of exploration activities and will be available to respond to any questions regarding the Project.

Where to from here?

AAMC will progress through the exploration program listed above during 2010. Upon completion of the exploration program and approval from the Foreign Investment Review Board, Kepco will acquire the sole right to explore for coal reserves within A287 and A342.

What is a Seismic Reflection Survey?

The equipment to be used will have very little impact on the environment. The proposed method "Seismic Reflection" is a geophysical technique used to develop a clear understanding of subsurface rock structure and other properties such as hydrogeology.

The Seismic Reflection method works by bouncing sound waves off boundaries between different types of rock which are collected by receivers and recorded to produce an image of subsurface structures and layers. Seismic reflection profiling uses a controlled source to generate seismic waves. On land, truck-mounted vibrators are used as a source of the waves and the reflected signals are recorded by geophones (see picture below).



Further Information

If you have any question in regard to the Bylong Coal Exploration Project and the proposed 2010 Exploration Program, please contact:

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