



### Meals on Wheels and Wangi Lions Club spread Christmas cheer

With the Christmas season being a time of giving, Centennial Coal joined the Wangi Lions Club and the Morisset and Toronto Meals on Wheels (MoW) together to spread a little Christmas cheer.

"This is the second year Centennial has been kind enough to donate the Lions Club Christmas cakes to us, to serve up with our Christmas meals for our MoW clients,"

"We make up Christmas goody bags for every client and include a big portion of cake. The clients love receiving the gift bags in the week before Christmas, so it certainly does add a little extra Christmas cheer for them," said MoW Manager, Toni Bull.

Over the years Centennial's workforce has supported the Wangi Lions Club Christmas cake and pudding drive by stocking up their fridges with these sweet offerings and since last year, Centennial has increased the number of cakes it donates to MoW to make sure everyone on the MoW service receives a piece of Christmas cake.

"It is great to see Centennial supporting two local organisations through the one initiative, as the proceeds from the pudding and cake sales goes directly back into local community programs and initiatives such as the Westlakes Women's Refuge, while helping MoW spread some extra festive merriment to its clients," said Wangi Lions Club member and Cake Sales Coordinator, John Farrington.

Lions Australia Christmas cake and pudding program has been running over the last 47 years to help raise funds for local communities around Australia seeing the proceeds initiatives around medical research, aged care and youth programs.



Morisset and Toronto MoW two Toni's, getting into the festive spirit

#### Our People

#### Michael Cowan, Federation Coal Miner, Myuna



#### What do you enjoy most about living in the local area?

What I love about living in Lake Macquarie is that we are surrounded by the water and the mountains. There is a lot to do around the area and I love spending time around the Lake as well as the mountains.

#### What do you do in your leisure time?

In my spare time I like to get out on the water and kayak and sail. I also do a fair bit of mountain bike riding and I also like to build and do things around the house. When I am not being active, I love spending time with my family.

#### Whom do you most admire?

My parents. They have been through some highs and lows and have stood the test of time. Experiencing their journey has shaped me into the worker, father and husband I am today.

#### What is your favourite food?

Woodfired pizza and roast dinners at home. I also don't mind fresh fish and salad.

#### Which book or movie are you looking forward to reading / seeing?

I like action and adventure books from the likes of Robert Ludlam, Clive Cussler or Matthew Riley. As far as movies go, my wife tricked me into going to see Magic Mike with her, so you could imagine I am not thrilled about heading back to the movies real soon.

### Coal Market Implications

Like most other companies in the mining industry Centennial Coal (Centennial) has been reviewing its mining operations in response to the recent significant decrease in the US\$ price of export thermal coal over the past few months combined with the continuing high Australian dollar. The industry is suffering from record high production costs, largely a result of the resources boom-driven competition for scarce resources increasing wages and other input costs, but also including the impost of increased government processes and charges.

As a result of this review, locally, capital expenditure on the Newstan Extension and Northern Coal Services projects has been deferred, and regrettably Centennial has decided to place Mannering Mine on 'Care & Maintenance' commencing January 2013.

"The decision to place Mannering on 'Care & Maintenance' has not been taken lightly", said Centennial's Chief Operating Officer, Steve Bracken.

"Mannering has struggled to make a positive contribution in its own right not only through the lower coal price but a combination of difficult mining conditions and poor coal

quality has hindered the mines viability".

"In the current market, its losses can no longer be absorbed without negatively impacting the Group's overall performance", Steve Bracken continued.

"While we have redeployed the majority of our Mannering employees to other neighbouring sites across the Group, therefore minimising redundancies, regrettably this has been at the expense of contractors and particularly those at Newstan".

While on 'Care & Maintenance', Mannering will continue to meet safety and environmental regulations and will have a small care and maintenance crew on site, as well as a project team investigating different mine designs for the future. Mannering will be appropriately maintained to enable a reopening when market conditions improve.

"We will continue to progress the Newstan Extension and Northern Coal Service's development applications while also continuing to mine at Newstan in the areas we currently have consent." Steve Bracken concluded.

### Penalty Infringement Notice

Coal mined at Centennial's Mandalong Mine is either transported direct to Vales Point Power Station (operated by Delta Energy) by a 5km dedicated underground conveyor, or to the Cooranbong surface facility via a further underground conveyor system of length over 10km.

From the Cooranbong surface facility, located near Dora Creek, coal can then be transported to either Eraring Power Station (by a 1.5km overland conveyor) or to Centennial's Newstan Coal Handling and Preparation Plant and rail loader for export (via a dedicated private haul road).

No public roads are used.

For the 2011 reporting year, Mandalong exceeded its coal transportation limits to Eraring Power Station (overland conveyor) and to the Cooranbong Services site (underground conveyor). The limits that applied at that time were 2 million and 4 million tonnes per annum respectively.

These exceedances breached Mandalong's planning consent and have been reported to the NSW

Department of Planning and Infrastructure. As a result of exceeding these transportation limits, NSW Planning and Infrastructure has issued Mandalong with a Penalty Infringement Notice for both incidents.

Measures have been put in place to limit the possibility of these incidents reoccurring. These measures include, an already approved consent modification, which allows Mandalong to distribute 4 Mtpa of coal to either Newstan Colliery (via a dedicated haul road) or Eraring Power Station (via an overland Conveyor), a review and audit of Mandalong's production tonnages in the coming years and the Mine's compliance database. Additionally, Mandalong will also lodge a consent modification to increase the tonnage limits to the Cooranbong site (an underground conveyor system).

It should be noted that these breaches did not materially impact on other environmental outcomes (noise, dust etc).

