

PUBLIC REPORT 2010

Controlling Corporation

Anglo American Metallurgical Coal Ltd. ("AAMC")

Period to which this report relates

Start 1 July 2006

End

30 June 2010

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

Anglo American Metallurgical Coal (AAMC) has revised its approach to energy efficiency management and its commitments to the Energy Efficiency Opportunities (EEO) program. The revised approach will integrate with the AAMC Business Improvement (BI) framework. AAMC, therefore, has a dual and integrated approach to energy efficiency opportunity identification, including:

1. Integration of energy efficiency into AAMC's BI framework – including opportunity identification and decision making processes; and
2. Revised approach to EEO Site Assessments – commencing from December 2010 and completed by June 2011, in readiness for the subsequent five-year assessment cycle.

In line with the revised AAMC approach, an external consultant has been engaged to assist in undertaking a program of EEO Site Assessments (across its six sites) commencing in December 2010. The purpose of these assessments will be to assess at least 80% of AAMC's energy use and identify and investigate energy efficiency opportunities. Opportunities with a potential 4-year payback or better will be considered for implementation in line with the BI framework and energy efficiency evaluation requirements.

For each EEO Site Assessment, a site visit and detailed investigation will be conducted. This will include:

- An assessment and analysis of energy trends, key consumption areas/activities, and an assessment of data and information quality;
- Identification of opportunities via workshops, site tours and a revision of existing BI opportunities;
- Evaluation of opportunities outlining energy savings and financial analysis; and
- Development of opportunity action plans including recommendations to implement, further investigate or not implemented individual opportunities.

AAMC acknowledges previous EEO Public Reports highlighted several opportunities implemented across the group. These opportunities will be re-evaluated as part of AAMC's revised approach to energy efficiency management and commitments to the EEO program. The subsequent EEO Public Report will detail the opportunities identified and evaluated as part of AAMC's revised approach to EEO Site Assessments. For example, at the time of this report, AAMC is undertaking an assessment of the Capcoal Mine. During the 2009-10 financial year, energy use at the Capcoal Mine represented approximately 20% of total energy usage for the corporate group.

AAMC have recently submitted a *Verification Checklist and Information Request Form* to the Department, outlining how AAMC have met *Energy Efficiency Opportunities Act 2006* (the EEO Act) requirements and commitments established under the Assessment and Reporting Schedule (ARS), as part of the EEO verification process.



Table 1.2 – Energy use assessed

Group member and/or business unit and/or key activity and/or site (or part thereof) that has had an assessment completed by 30 June 2010 (include all assessments completed to date for the current 5 year cycle).	Period over which assessment was undertaken ¹	Energy use for the period 1 July 2009 to 30 June 2010 of the assessed entity (or part thereof) expressed in GJ ²
Capcoal Mine ¹	2006	2,031,477
Drayton Mine ¹	2007	1,555,721
Moranbah North Mine ¹	2008	546,531
Callide ¹	Planned - May-June 2011	n/a
Foxleigh ¹	Planned - May-June 2011	n/a
Dawson ¹	Planned - May-June 2011	n/a
Total energy use of assessed entities (or part thereof)		4,133,729¹
Total energy use of the whole corporate group in the period 1 July 2009 to 30 June 2010		10,912,555²
Total energy use of assessed entities (or part thereof) for the period 1.7.2009 to 30.6.2010 expressed as a percentage of total energy use for the period 1.7.2009 to 30.6.2010		37.9%¹

1. AAMC has revised its approach to energy efficiency management and its commitments to the EEO program. At the time of this report, the sites previously assessed are currently and/or planned to be reassessed in consideration of the revised Assessment and Reporting Schedule (ARS). Following the completion of the EEO Site Assessments, the subsequent Public Report (1 July 2010 to 30 June 2011) will illustrate the total energy use assessed will be at least 80% of the group's total energy use.

2. Total energy use of the corporate group is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Table 1.3 – Accuracy of energy use assessed data

Entity	% achieved	Reasons for not achieving data accuracy to within ±5%
n/a	n/a	n/a

Part 2 – Energy Efficiency Opportunities that have been identified and evaluated
Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: AAMC (group)

nil	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	nil	nil		nil		nil		
To be Implemented	nil	nil		nil		nil		
Implementation Commenced	nil	nil		nil		nil		
Implemented	nil	nil		nil		nil		
Not to be Implemented	nil	nil		nil		nil		
Outcomes of assessment	Total Identified	nil		nil		nil		

Part 2B - Update of assessments reported in previous Public Reports

The opportunities identified below have not been identified as part of an EEO Assessment. AAMC has revised its approach to energy efficiency management and its commitments to the EEO program. At the time of this report, the sites noted below are currently being reassessed, and/or planned to be reassessed in consideration of the revised Assessment and Reporting Schedule (ARS).

Name of Group member or business unit or key activity or site:

Callide Mine

1,409,046 ¹	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3a – Opportunities assessed to an accuracy of better than or equal to (\leq) $\pm 30\%$

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – \leq 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented		3	10,900				10,900	
Not to be Implemented								
Total Identified		3	10,900				10,900	

¹ Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Name of Group member or business unit or key activity or site: Capcoal Mine

2,094,514 ¹	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3b – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented		4	65,600					65,600
Not to be Implemented								
Total Identified		4	65,600					65,600
Outcomes of assessment								

1. Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).



Name of Group member or business unit or key activity or site: Dawson Mine

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

4,229,879 ¹	GJ
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Table 2.3c – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)				Total estimated energy savings per annum (GJ)		
		0 – < 2 years		2 – ≤ 4 years			> 4 years	
		No of Opps	GJ	No of Opps	GJ		No of Opps	GJ
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented		3	141,800					141,800
Not to be Implemented								
Outcomes of assessment		3	141,800					141,800

1. Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Name of Group member or business unit or key activity or site: Drayton Mine

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1,374,441 ¹	GJ
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Table 2.3d – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented		2	5,900					5,900
Not to be Implemented								
Outcomes of assessment		2	5,900					5,900

¹ Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Name of Group member or business unit or key activity or site: Foxleigh Mine

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1,113,076 ¹	GJ
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Table 2.3e – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented		1	8,000					8,000
Not to be Implemented								
Outcomes of assessment		1	8,000					8,000

1. Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Name of Group member or business unit or key activity or site: Moranbah Mine

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

628,591 ¹	GJ
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Table 2.3f – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation								
To be Implemented								
Implementation Commenced								
Implemented	2	27,300					27,300	
Not to be Implemented								
Outcomes of assessment	2	27,300					27,300	

¹ Total energy use of the site is consistent with values reported in the revised Assessment and Reporting Schedule (ARS).

Part 2C - Details of at least three significant opportunities found through EEO assessments

No assessments or opportunity updates were undertaken during the 12 month reporting period (1 July 2009 to 30 June 2010).

The following opportunities identified and evaluated are currently in the process of being reviewed and updated as part of AAMC's revised approach to energy efficiency management and its commitments to the EEO program. At the time of this Public Report, the sites previously assessed are currently and/or planned to be reassessed in consideration of the revised Assessment and Reporting Schedule (ARS). Following the completion of the EEO Site Assessments, the subsequent Public Report (1 July 2010 to 30 June 2011) will illustrate the total energy use assessed will be at least 80% of the group's total energy use.

Table 4.1 - Declaration of accuracy and compliance

Opportunity 1

Coal Loss and Recovery Project

Coal loss reduction projects are delivering significantly increased value for the business. AAMC has reduced coal loss by:

- Introducing new blasting methods that protect the coal roof and improve fragmentation of the overburden;
- Implementing standardised coal recovery operating procedures.

The coal loss improvement project draws on existing best practise, encourages collaboration through replication across sites and utilised innovation through the application of new 'baby-deck' blasting technology.

Coal reconciliation in late 2008 highlighted that coal losses up to 25% was occurring at Dawson due to poor mining methods and blasting operations. Based on experience from other AAMC sites, it was clear that standardised operating procedures needed to be developed that incorporated visual control standards – specifying what the machine operator should physically see when removing overburden, and how to operate machinery when close to the top of the coal seam to avoid damaging the coal.

A drill and blast project for Dawson was formally endorsed and commenced in November 2008. Dawson Mine has steep dipping coal seams from 15-30 per cent which contribute to coal edge loss when firing to coal seams. With the previous blasting method, the edge of the seam next to the highwall was often unrecoverable due to coal being blown down out beyond the effective dragline radius. This was the main cause of coal loss, further impacted by contamination and coal roof damage. To address this, changes to blasting practices were made. The new practice has blasts being fired as a baby deck or wedge arrangement that refuses pressure on the coal roof, protects the coal edge and prevents blasted rock from penetrating the top of the coal seam.

Opportunity 2

Equipment Efficiencies – Open Cut Operations

The Callide maintenance team have a structured defect elimination program to eliminate breakdowns and increase overall reliability of key equipment. Using this process, the Callide maintenance team have improved availability of the EH4500 truck fleet from 63% to 85%.

A Callide, 8750 Dragline productivity was identified as a key opportunity for further value creation. Following benchmarking and a configuration review, the dragline swing time and bucket capacity were identified a potential area for improvement. The dragline swing motors were upgraded and



a higher capacity bucket was installed, delivering a significant improvement in production rate. Additionally, an operator benchmarking system was established by the operations teams and has also delivered further improvement.

The EX5000 excavator fleet at Drayton are the benchmark in their class with AAMC. Not satisfied with this, they have continued to further increase their production rates through a range of initiatives across pit design, overburden inventory management, inter-crew and intra-crew operator benchmarking and planned delay alignment.

Increasing production rates results in electrical efficiency outcomes by reducing the otherwise unloaded and wasteful running of 'fixed' loads such as conveyors.

Opportunity 3

Equipment Efficiencies – Underground Operations

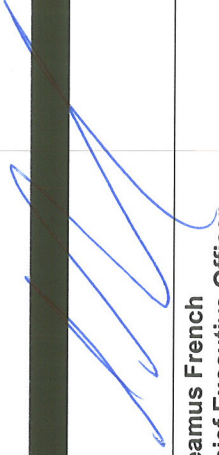
The Grassree Longwall at the Capcoal Underground Operation is delivering significantly improved performance. The recent change to operating regime has resulted in an increase in both process reliability and utilisation. The changes in operating regime focus on getting the basics right such as communication, focussing on a maximum of 3 Longwall issues at a time, improving conveyor performance and improving bonus schemes. Recent advancements at Grassree mine in the automation program have also reduced operational days and delivered increased cuto rates, further increasing production output.



Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.


Seamus French Chief Executive Officer
28 March 2011