Appendix D1: BMA Environmental Performance Details

The purpose of this appendix is to provide additional details on BMA’s environmental performance. The majority of this information is contained in the BMA 2008 Sustainable Development Report in Appendix D.2. Further information is provided in the following sections.

Sustainability Report

The Sustainability Report provides a variety of information on the many environmental aspects of BMA’s mining operations.

There are a number of points that should be noted in the data listed below.

- Land, Water and Energy Use (Figures 1, 2, 3 and 4 in Appendix D.2) information is available from 2004. Additional data is available for land back to 2001 and is included below in Table 1-1. The rehabilitation status presented in Table 1-1 is the percentage of mine disturbance undergoing rehabilitation over the total disturbance area of the mine area.

- Greenhouse gas management records do not capture emissions associated with fly-in fly-out workforce. FIFO has not been widely used at BMA operations over the course of the reporting period covered by the Sustainable Development Report. As per the NGER system, emissions and energy use generated by aircraft that may be used when BMA operate FIFO operations in the future, will be captured by the aircraft operators and not BMA. Furthermore, greenhouse gas emissions are not considered to be material in the context of operation specific greenhouse gases (refer Section 4.1.6 – 6.09)

- The greenhouse gas emissions show a reduction during 2008 in Figure 4 of Appendix D.2. This reduction is due mainly to reduced production in the second half of the financial year with the widespread flooding in the region.

Table 1-1 BMA Rehabilitation Status

<table>
<thead>
<tr>
<th>Year</th>
<th>Rehabilitation (Ha)</th>
<th>Disturbance (Ha)</th>
<th>Rehabilitation Status (%)</th>
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<tbody>
<tr>
<td>2008</td>
<td>10,834</td>
<td>42,096</td>
<td>25.7</td>
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<tr>
<td>2007</td>
<td>10,509</td>
<td>42,985</td>
<td>25.0</td>
</tr>
<tr>
<td>2006</td>
<td>10,298</td>
<td>38,932</td>
<td>26.5</td>
</tr>
<tr>
<td>2005</td>
<td>10,032</td>
<td>37,911</td>
<td>26.5</td>
</tr>
<tr>
<td>2004</td>
<td>9,762</td>
<td>36,139</td>
<td>27.0</td>
</tr>
<tr>
<td>2003</td>
<td>9,271</td>
<td>34,168</td>
<td>27.1</td>
</tr>
<tr>
<td>2002</td>
<td>8,556</td>
<td>31,553</td>
<td>27.1</td>
</tr>
<tr>
<td>2001</td>
<td>8,232</td>
<td>29,657</td>
<td>27.8</td>
</tr>
</tbody>
</table>
BHP Billiton HSEC Scorecard
The Introduction of the 2008 Sustainable Development Report - Appendix D.2 presents an HSEC performance rating for BMA’s operations. This HSEC performance rating is based on an internal BHP Billiton Management System and cannot be easily benchmarked against other companies in the industry. In addition, the historical approach of rating operations on a 1 to 5 score has been discontinued.

Environmental Performance Categories
Although the Environmental Performance Categories are issued by the Department of Environment and Resource Management (DERM), BMA are not aware of other company's ratings.

The following is a summary of the Environmental Performance Categories and attached is a scorecard of BMA’s average Performance Category Rating across all operating sites since 2000.

<table>
<thead>
<tr>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>4.0</td>
<td>2.8</td>
<td>3.4</td>
<td>3.3</td>
<td>3.1</td>
<td>3.4</td>
<td>3.4</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Performance Categories are used amongst other things, to determine the discount available for calculating the Financial Assurance offered to the State in annual Plan of Operations for each mine. They are determined against a set of criteria set by DERM and can be used as an indication of the overall environmental performance.

The downgrade in average performance criteria across the BMA mines from 2008 into 2009 can be largely attributed to uncontrolled discharges of mine-affected water during the torrential rain and associated flooding in the 2007/2008 Summer. This flooding particularly affected Blackwater, Goonyella-Riverside, and South Walker Creek Mines, who as a result of the non-compliant discharges now have statutory management plans in place, including a Transitional Environmental Program. These plans ensure agreed improvements are made to the water management systems at those mines and results in closer scrutiny and auditing from regulatory agencies including DERM.

Additionally, over time the level of environmental performance expected from government and the community both locally, regionally and internationally has increased, and as such this has been factored into the performance categories granted to BMA Mines.

Sustainable Resource Communities Agreement
BMA has worked in partnership with the Isaac Regional Council (through the Bowen Basin Mayors Group) and also with the Queensland Resources Council to collectively identify priority social and economic infrastructure projects for the Moranbah area. In the initial $27M brought forward from the Sustainable Resource Communities Fund a number of projects were supported by Government, with the majority collectively advocated by BMA and the Isaac Regional Council. Additional items that we strongly support in the short term which directly impact on regional liveability and quality of life and which we will continue to pursue further through the SRC fund include:

- Moranbah
  - Moranbah emergency centre upgrade at the hospital - $1M
- Additional affordable accommodation projects
- Moranbah aquatic centre $7M
- New Moranbah Youth Centre
- Moranbah Boxing and Sporting Club $200K (BMA has contributed $500,000 and this project is about to go to tender but there is a budget shortfall)
- Air-conditioning at all Moranbah and Dysart schools - students are working in sub standard conditions with some having evaporative air-conditioning in the classrooms which is noisy and does not cool the room. This is a critical issue identified by parents, teachers and students
- Moranbah community hub - collocating all social service and community providers under the one central location. A feasibility study is nearing completion.

Dysart

We have included Dysart as this community contributes significantly to the overall liveability of the middle and northern Bowen Basin
- Dysart education videoconferencing centre: $100,000
- Dysart water park - improving the child friendly appeal of the existing swimming pool complex in addition to putting in place facilities for seniors
- Two room extension of the existing Dysart not-for-profit childcare centre: $250,000. This was not funded under the first funding round as at the time another centre was planned for Dysart. The developer has since advised that this other centre will not proceed.
- Dysart Multipurpose Sports Facility (additional $500,000). Cost increases have been experienced due to delays as a result of the Federal Government not yet releasing funds for this project, which were committed as an Election commitment. BMA has contributed $2M to this project which is due to commence shortly (fully costed - at tender stage ) once funds are released
- New library for Dysart ($300,000) fully costed by the Isaac Regional Council.