

Clean Energy Regulator
GPO Box 621
Canberra ACT 2601

RE: Ashton Coal Mine (underground) Surrender Carbon Unit Written Explanation

Dear Safeguard Team,

Given Ashton is a high methane underground mine with limited abatement opportunities during the reporting period, Ashton has surrendered Australian Carbon Credit Units (ACCUs) in excess of 30% of the facility's baseline emissions number for the reporting period.

At Ashton Coal Mine, methane concentrations in the mine workings are diluted through multi seam mining, rendering the ventilation air stream unsuitable for flaring, and thus voiding the potential to convert methane to carbon dioxide (i.e. losing the ability to reduce carbon dioxide by a factor of 28).

Yancoal has reviewed the potential to apply Ventilation Air Methane (VAM) abatement to Ashton. This review identified that the return gas concentration at the main exhaust shaft was below the operating threshold for commercially available VAM units. Yancoal is monitoring technological developments and domestic deployments.

Ashton is currently executing a goaf sealing and pressure balancing project across the three mined seams. The project is designed to reduce VAM emissions by mitigating the impacts of air pressure differentials on the volume of emissions released from the sealed areas that can enter the mine ventilation system. A component of this project includes significant upgrades to the physical barriers (seals) that limit gas movement between sealed and active working areas.

Ashton has now moved into a new mining area where there is much greater opportunity for flaring. At the time of writing, a gas drainage plant is active at Ashton and currently operating at approximately 1500l/s with two flares. An input stream purity of 80-90% methane from the active longwall goaf is burned to produce carbon dioxide and water, thereby reducing emissions from methane by a factor of 28. An upgrade to increase flaring capacity by an additional 30% is also under consideration by Yancoal. Note that this plant was not operational during the FY25 reporting period due to insufficient high purity gas feedstock while longwall mining was not occurring, however its current operating status is demonstrative of Ashtons ongoing commitment to emissions abatement initiatives.

Although diesel is a very small proportion of Ashton's Scope 1 emissions, we are exploring diesel emission reduction opportunities with our key suppliers.

With commercially viable technologies to significantly abate Ashton Coal Mine's ventilation air stream (which includes fugitive emissions) not currently available, Yancoal has purchased ACCUs, as one element of its approach to meeting its obligations under the Safeguard Mechanism. Yancoal will continue to assess options aiming to meet regulatory emission reduction obligations.

Yours sincerely,



Mark Jacobs

EGM, Environment & External Affairs