



12 March 2026

Clean Energy Regulator
Safeguard Mechanism
GPO Box 612
Canberra ACT 2601

Dear Safeguard Team,

Subject: FY25 Notification of ACCU Surrender > 30% of the Olive Downs Mine facility baseline

In accordance with National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015, Division 5—Surrender of prescribed carbon units 72C (5), Pembroke Resources Nominee Pty Ltd (Pembroke) provides this statement in response to the total amount of Australian Carbon Credit Units (ACCUs) being surrendered, being greater than 30% of the Olive Downs Mine facility (the facility)'s prescribed baseline emissions number for the FY 25 reporting period.

As the Responsible Emitter Pembroke is required to address the following within this explanatory notification:

(b)(i) whether limitations in available technologies affected the level of carbon abatement undertaken at the facility during the period;

(b)(ii) whether there are barriers, including regulatory barriers, to undertaking carbon abatement at the facility; and

(c) include information about future opportunities for undertaking carbon abatement at the facility; and

(d) identify any information included in the explanation that is commercially sensitive. ¹

The facility is classified as a new facility by the Safeguard Rule 15 and as such a prescribed baseline of 100,000t CO_{2-e} applies in the current reporting year. This prescribed baseline is not reflective of the actual reportable operating emissions for the mine, which entered its second operating year during the reporting period.

Given the facility has been assigned a prescribed baseline which is not in keeping with other mining operations of similar locality, size and production this presents persistent and ongoing limitations to any future opportunities for carbon abatement opportunities due to the regulatory context and the resultant diversion of funding to mandated ACCU purchases in any given year for the life of mine.

Olive Downs is one of the few facilities that got caught in the legislation timeline whereby because the mine was not operating at the time, a default baseline of 100,000t was applied. As an example, if Olive Downs was allowed to use an emissions intensity approach like other comparable mines:

Olive Downs FY25 NGER return

Scope 1 emissions – 392,766

¹ Safeguard Rule 15, section 72C(5).



- ROMt – 6,198,773
- Calculated EI factor = $392,766/6,198,773 = 0.063362$
- Safeguard Rule 15 states for coal mining the *default emissions intensity is the average of: (a) 0.0653 t CO₂-e* with run-of-mine coal being the production variable.
- Using a 4.9% year-on-year reduction the FY25 default EI would be 0.059057.
- Using this factor against the FY25 ROMt, Olive Downs baseline would have been calculated as 366,083.
- This would have required the surrender of 26,683 ACCUs which would have been 7.3% of the facilities baseline emissions and well within the 30% guideline.
- Due to the inequity imposed by the legislation, Olive Downs is required to surrender instead 292,766 ACCU or more than 10 times what other similar operations would need to comply.

Circa 50% of our scope 1 emissions is from diesel combustion which is central to our mining operational activities, being mine waste and coal material movement, site preparation, drilling and blasting and progressive rehabilitation activities. Given our fleet is well within its lifecycle there are limited opportunities to replace the existing diesel-powered equipment, and retrofitting applications have been found to be unviable due to commercial factors or lack of demonstrated success. Additionally, with our mining fleet being predominantly autonomous this presents additional and unforeseen challenges in terms of the ability to reduce diesel burn.

Works continued during the period into fugitive emissions modelling and abatement opportunities, however, at present the technology requires significant CAPEX with significant uncertainty into the viability of recovery and use within the facility.

With commercially viable opportunities to abate emissions not currently available, Pembroke has purchased ACCUs, to meet its obligations within the Safeguard Mechanism for the period. The relevant surrender has been undertaken in accordance with the *National Greenhouse and Energy Reporting Act 2007* and relevant Safeguard Mechanism rules. Supporting documentation and evidence of ACCU ownership and transfer have been lodged via the Australian National Registry of Emissions Units (ANREU).

Pembroke will continue to assess options aiming to meet regulatory emissions reduction obligations in keeping with the requirements of the Safeguard Mechanism.

Yours sincerely,

Michael Rosengren
Chief Executive Officer