

Clean Energy Regulator
GPO Box 621
Canberra ACT 2601

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

Dear Safeguard Team,

In response to the total amount of Australian Carbon Credit Units (ACCUs) being surrendered, including any that have already been surrendered for the monitoring period, being equal to or greater than 30% of the facility's baseline emissions number for the monitoring period we provide the following.

At Ashton Coal Mine, methane concentrations in the mine workings are diluted through our multi seam mining, rendering our ventilation air stream unsuitable for flaring, and thus voiding the potential to convert methane to CO₂ (i.e. losing the ability to reduce CO₂ by a factor of 28).

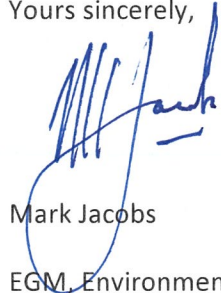
Yancoal has reviewed the potential to apply Ventilation Air Methane (VAM) abatement to Ashton. This review identified that the return gas concentration at the main exhaust shaft was below the operating threshold for commercially available VAM units. Yancoal is monitoring technological developments and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

Through the course of FY24 Ashton has commenced a goaf sealing and pressure balancing project across the three active seams, marking a first for the Australian mining industry. The project is designed to reduce VAM emissions by reducing the volume of emissions from the sealed areas that can enter mining areas and the mine ventilation system.

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