



Kingsgate
Consolidated Limited

KINGSGATE CONSOLIDATED LIMITED

ENERGY CONSERVATION POLICY

A secure and reliable supply of energy is critical for all mining operations to meet their production requirements. Energy constitutes a major operating expense and to minimise costs, it is important to recognise that energy is a controllable operating cost.

The use of energy contributes to greenhouse gas emissions that contribute to global warming. How well greenhouse gas emissions are managed is a key indicator of the environmental profile of a Company. There is considerable public and stakeholder pressure on all businesses to demonstrate that they can operate in a sustainable manner, including the sustainable use of carbon based energy resources.

Kingsgate Consolidated Limited while conducting its activities will respect energy conservation. Our commitment is to operate at the forefront of recognized best practice for energy conservation. We will establish and maintain an effective energy management system based on best practice and a commitment to continuously improve performance. We will integrate energy conservation as an essential element in the duties of all employees and contractors.

To achieve its energy conservation objectives, Kingsgate commits to explore opportunities for reducing energy usage and costs and greenhouse emissions. This will include the commitment of senior and corporate management, operational management and those with a role that impacts on the use of energy. The key areas are:

- Developing the fundamental elements of an effective energy management system;
- Investigating current energy use performance and the potential opportunities for improved energy efficiency;
- Establishing energy performance benchmarks;
- Motivating economic improvements in energy efficiency and providing information and other support to achieve that end;
- Having everyone accept energy efficiency as a sustainable management best practice activity and;
- Monitoring and reporting on progress towards improved energy efficiency and energy management performance with the aim of achieving continuous improvements.

Applying energy efficiency measures to existing operations and introducing energy and greenhouse efficient plant and processes is one way of reducing costs, helping the environment and limiting risk. Such measures are consistent with operating a site at optimum efficiency and maximum output. The introduction of new technology, process improvements and operational changes can significantly improve performance. However, without effective management processes in place, improvements will either not materialise or not be sustained.

Energy Conservation is about striving to demonstrate leadership and performance excellence to our employees, our stakeholders, the environment and the communities in which we now operate. Our challenge is to achieve this through the implementation of systems, training and standards driving continual improvement and desired behaviors. Total effort to make this commitment a reality and adherence to this policy is a requirement of every employee and contractor. Kingsgate wants to be known as being **“Power Smart”**.

(Phil MacIntyre)
Chief Operating Officer
Kingsgate Consolidated Limited

(Gavin Thomas)
Chief Executive Officer
Kingsgate Consolidated Limited

September 01,2006