

Miners in Motion

**PROVIDING FOR TODAY,
PROTECTING FOR TOMORROW**

Mine Site Spotlight: Jacobs Ranch Mine

For a little over a year Jacobs Ranch Mine has been working on one of the biggest projects within Rio Tinto Energy America, which includes a 2.1 mile long overland conveyor. The conveyor is being built in order to lower operating costs and increase production. With no lost time injuries and over 250,000 man hours worked, the project is nearing completion with the beginning of the last phase.

"I'm very proud of the involvement we've received from the Jacobs Ranch Mine employees," Dave Hamlin, project manager said. "We've utilized the plant employees from the design phase through the construction phase. When it is all said and done, we're going to have a very reliable system because of the involvement from the Jacobs Ranch Mine employees."

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▶ **JACOBS RANCH MINE OVER-
LAND CONVEYOR PROJECT
NEARS COMPLETION 1**

▶ **2007 PERFORMANCE:
PRODUCTION REMAINS
STEADY5**

▶ **COLOWYO MINE HUNTING
PROGRAM8**

Letter from the President

Colin Marshall - President and CEO



We ended the year with overall production of 134.4 million tons in 2007. After the tough start to the year, this was a creditable performance. Severe weather slowed the pace of train loadings in December; however, collectively all mine sites finished 2007 with strong results. Antelope and Spring Creek had record production for the

quarter and year, and Cordero Rojo experienced its best quarter since 2001.

We can now look forward to an interesting 2008. January has started off well with steady production and firming coal prices. It has been amazing to see how floods in Australia and severe snow in China have helped push up the price of Eastern US coal and now our PRB coal.

Our 2007 safety performance did not meet our target – our All Injury Frequency Rate was 0.93 compared to our target of 0.60. We incurred a total of 11 lost time injuries and 19 medical treatment cases. While 7 of these injuries involved contractors on expansion projects, the underlying safety performance deteriorated from 2006. That said, we did not have a fatality, for which I am very grateful. I cannot emphasize enough how important your safety is to the company and, most importantly, you and your family. Please take extra care in performing your tasks, and think through what you plan to do. We have already had one lost time injury and an MTC in January which is not a great start to the year.

Regarding the sale process, I will be sending out another letter updating you on the status in the next few weeks once Rio Tinto has announced its 2007 earnings. Several of you have questions pertaining to retiring. My advice is still to wait until things become clearer before making a decision. For specific questions on the retirement process, please contact the Rio Tinto Retirement Planning Group in Salt Lake City at 866-746-1746.

I am pleased to welcome Gary Rivenes as acting Vice President Operations. As many of you know, Gary was previously General Manager of Jacobs Ranch Mine. Gary has wide-ranging experience in the Powder River Basin as he has worked in many operational and engineering roles during the past fourteen years. Steve Cowan will return from his secondment with Pilbara Iron to take up the role of General Manager Jacobs Ranch in February.

I hope you're enjoying the winter and have a good snow blower. I have been skiing several times and will soon not be able to keep up with my four year old daughter. Hopefully, the great ski conditions will continue without messing up our mines. It seems this winter has been especially cold – please keep safety in mind during these sub-zero conditions. Dress appropriately, remember to keep emergency supplies in your vehicles and watch out for slipping on ice.



Pictured above, left to right: Mickey Case, John Grant and Jay Anderson

Business

Improvement

Jacobs Ranch Mine improves power cable handling

Power cable damage during shovel and dragline moves were identified as concerning trends at Jacobs Ranch Mine. In an effort to find out the causes of the damage, a defect elimination team was assembled by the Jacobs Ranch Mine Management Steering Committee. The team consisted of John Grant, reliability engineer; Dan Patton, production utility crew; Jay Anderson, former shovel oiler; Mickey Case, reliability technician; Dave Feist, BIP; Jeff Yeaman, production crew utility; Chris Kenney, production crew utility; and Bob Edwards, production planner.

During weekly meetings, the team documented cable handling procedures used and gathered information from equipment manufacturers. The team also used the Rio Tinto Collaborative Forums, which is an online source that allows Rio Tinto Business Units to “travel the globe” and search out best practice information.

Several actions items were identified to reduce shovel/dragline cable damage:

1. A training manual was developed for employees that handle shovel/dragline cable. Building on training developed at Rio Tinto Coal Australia and RTEA's Antelope Mine, Jacobs Ranch Mine training sessions through mid-February will communicate proper methods and the risks involved in handling cables.

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Other members of the Rio Tinto Energy America Project Owners Team include John Thompson, project engineer; Ron Harshman, construction manager; Jennifer Praeuner, cost analyst; Steve Skinner, health and safety representative; and Calvin Randall, from the Asset Management group.

The project started in late 2006 when a new truck dump was installed with enough capacity for 400-ton haul trucks. The primary crusher is a Stamler Feeder Breaker rated at 6,000 tons per hour. Primary crushed coal is transferred to the secondary crusher via a 72-inch Run of Mine (ROM) conveyor 1,700 feet away. Here, the coal is crushed to customer specifications before it will be transported to the existing plant on an 84-inch overland conveyor, approximately 2.1 miles away. After the coal travels on the overland conveyor, it is dumped into a surge bin (a 170-ton hopper), which is near the existing plant facility. From the surge bin the coal is transferred to the tail end of the existing storage conveyors where it ties into the current system.



The new overland conveyor will replace roughly four to five haul trucks, reduce fuel usage and help in the current tire shortage. The through-put on Circuits One and Two will also be increased by 50 percent.

The team is currently completing the commissioning of the truck dump, ROM conveyor and the secondary crusher facility. The next step in the project is to complete the overland conveyor and upgrade the existing storage conveyors. The project is expected to be completed by late March.

Friends and family CPR classes

Do you have children who babysit? Would you know what to do if your infant quit breathing? During the month of February, the RTEA mine rescue teams will be offering CPR classes free of charge for friends and family members. The mine rescue teams donate their services to teach CPR in Craig, Douglas, Gillette, Newcastle and Sheridan. Please sign up at your respective mine for the following classes:

Craig	<i>(Date and Location TBA)</i>
Douglas	February 9 and March 1 (Location TBA)
Gillette	February 9 and February 23 (Mickelson Training Center)
Newcastle	February 23 (Senior Citizen Center)
Sheridan	February 9 (Holiday Inn)

Reliability Center at Jacobs Ranch Mine nears completion

The reliability team at Jacobs Ranch Mine recently moved into their new failure analysis lab and offices called the reliability center. The Reliability Center will allow the team to perform inspections and analysis of failed components in a clean, well lit environment.



Pictured above, from left to right, Jay Anderson, Matt Miller, John Grant, Mickey Case, and CJ Beving

The team primary responsibilities include failure analysis, condition based maintenance, oil and filter analysis, defect elimination, and hydrocarbon management. The employees that are now located in the new office include CJ Beving, maintenance engineer; John Grant, reliability engineer; Matt Miller, reliability technician – hydrocarbon management; Mickey Case, reliability technician – defect elimination; and Jay Anderson, fluid technician. The reliability center is expected to be complete by mid-February.

Community Matters

RTEA helps make the holidays merry

Rio Tinto Energy America (RTEA) employees are dedicated to our local communities. This dedication helped to make the Secret Santa program at Cordero Rojo Mine and the Gillette office a tremendous success in 2007.

Cordero Rojo Mine supported five families through the Children's Development Center. A list of families was posted at the mine and in some cases a whole crew selected a family and, in other cases, a particular family was helped by a combination of employees. Gifts arrived wrapped and ready to deliver right before Christmas. Bikes, sleds and noisy games of all kinds were loaded in 'Santa's sleigh' and hauled to the center, where families picked them up. The mine also did a canned food drive and donated money to the Gillette Soup Kitchen and the Salvation Army to help pay electric bills.

The Gillette Office Secret Santa program adopted numerous families within the community. A Secret Santa Tree was displayed and employees chose anonymous children to buy gifts for. A noteworthy accomplishment was that there were 40 more RTEA participants in the 2007 program compared to 2006. The Gillette office also did a canned food drive during the Children's Christmas party in December.

"I would like to thank everyone for the wonderful gifts that were donated to this year's program – both at Cordero Rojo Mine and the Gillette office," Heidi Lowe, Manager of Community Relations and Public Affairs said. "Because of the gifts, numerous families and children celebrated the season with a little more cheer and a lot less stress."

Lowe also noted how promising it is that employees and/or their spouses have a vested interest in the enrichment of a worthwhile community outreach. Activities such as this keep the company on a strong path towards a connected community.

Cordero Rojo Mine delivered this truckload of food to the Council of Community Services Soup Kitchen in Gillette over the holiday season.



2007 United Way Donations

Rio Tinto Energy America donated \$120,645 to the United Way organization in 2007. Employees from each site contributed the following amounts:

Colowyo:	\$43,583
Cordero Rojo:	\$10,253
Jacobs Ranch:	\$58,995
RTEA Gillette:	\$7,814

TOTAL: \$120,645

The mission of United Way is to bring people together from the government, business, organized labor, faith, non-profits and ordinary citizens groups. The organization focuses on the issues that concern the entire community and works to improve the day-to-day lives in each community it services. United Way works with a broad range of people and organizations to identify and resolve pressing community issues.



Community Calendar February 15 to March 31

Gillette

February 16, Ducks Unlimited Banquet, Energy Hall, Cam-Plex

March 1, Chuckles for Charity, Energy Hall, Cam-Plex

March 15-16, Northeast WY Contractor's Home Show, Central Pavilion, Cam-Plex

March 29-30, Gillette High School Rodeo, East Pavilion

Sheridan

February 16, Cajun Bash Kalif Shrine

February 16-17, Expo 2008 Sheridan County Fair Grounds

February 23, Habitat for Humanity "Hearts Build Homes" Holiday Inn

March 7, Downtown Sheridan Association Wine Festival

March 29, Spring Fling Bazaar, Exhibit Hall at the Sheridan County Fairgrounds

Meeker

February 23, Eastern Rio Blanco Metropolitan Recreation & Park District Winter Games, Paintbrush Park

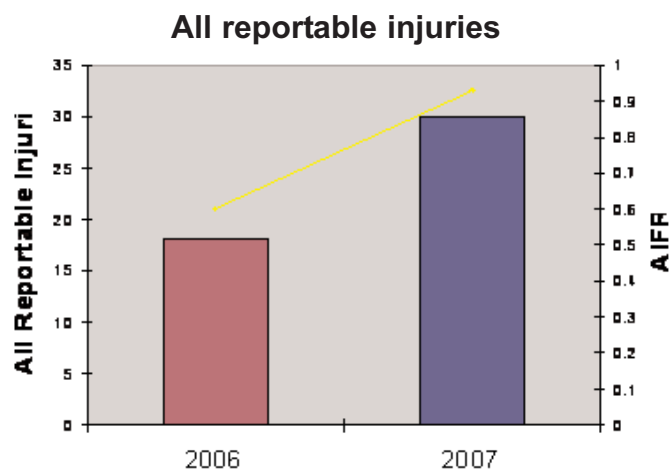
To include your RTEA event or RTEA community sponsored event in Miners in Motion, please contact Kay French at (307) 685-6103 or Kay.French@riotinto.com.

2007 Performance

Production	2007*	2006*
Antelope Mine	34.5	33.9
Colowyo Mine	5.6	6.3
Cordero Rojo Mine	40.5	39.8
Jacobs Ranch Mine	38.1	40
Sprint Creek Mine	15.7	14.5
Total	134.4	134.5

* Results above reported in million tons

Fourth quarter production in 2007 was consistent with the same quarter of 2006 and eight percent higher than the third quarter. Production records were set at Spring Creek and Antelope Mines as expansion projects near completion, offsetting lower production at Jacobs Ranch and Colowyo.



In 2007, Rio Tinto Energy America had a total of 11 Lost Time Injuries and 19 Medical Treatment Cases. The All Injury Frequency Rate was 0.93 compared to our target of 0.60.

Health and Safety

The following beliefs guide the way that Rio Tinto Energy America conducts the business to achieve our world class health & safety performance:

1. All injuries and occupational illnesses are preventable.
2. **Everyone** is directly responsible for preventing injuries, illnesses and incidents.
3. Heartfelt leadership for safety and health is a line responsibility where managers are visible and committed.
4. Engagement and commitment **of all** employees and service providers are crucial to the success of our health and safety program.
5. All employees and service providers understand how they can be hurt in the work they are doing, actively look out for each other and support the safety principle: **"If it's not safe, don't do it that way."**
6. Safety observations are frequently conducted to focus on behaviors and demonstrate care for each other.
7. Safe behavior and safety performance are recognized.
8. The application of education, training, and coaching are recognized as essential for preventing injuries, illnesses and incidents.
9. Incidents are investigated to determine root causes; preventive actions are implemented and the lessons shared. **Repeat incidents are not acceptable.**
10. Safe behavior is a condition of employment.
11. **Safety off-the-job is just as important as safety-at-work.**

Car seats available from RTEA Health and Safety Department

If you are welcoming a newborn to your family, Rio Tinto Energy America's Health and Safety Department would like to provide a new car seat for your child.



To request a car seat or to inquire about eligibility, contact
Tonya Simpson at (307) 687-6044
 or
Tonya.Simpson@riotinto.com.

Communication survey results show employee preferences at each mine

Effective Communication Tools

The following lists the top four communication tools **rated** as being effective by Rio Tinto Energy America employees at each individual worksite:

- Antelope:** Monthly Safety Meetings (78%)
Employee Face-to-face (77%)
External Mailing (73%)
Miners in Motion (73%)
- Colowyo:** Qtrly Communication Meeting (76%)
Employee Face-to-face (75%)
External Mailing (75%)
Supervisor Communications (72%)
- Cordero Rojo:** Employee Face-to-face (81%)
Supervisor Communications (74%)
External Mailings (70%)
Qtrly Communication Meeting (53%)
- Jacobs Ranch:** Employee Face-to-face (78%)
Monthly Safety Meetings (71%)
External Mailings (71%)
Supervisor Communication (64%)
- Spring Creek:** Supervisor Communications (82%)
Employee Face-to-face (78%)
Monthly Safety Meetings (65%)
Site Bulletin Boards (65%)

Preferred Communication Tools

The following lists the top four communication tools **preferred** by Rio Tinto Energy America employees at each individual worksite:

- Antelope:** Employee Face-to-face
Supervisor Communications
Monthly Safety Meetings
Qtrly Communication Meetings
- Colowyo:** Supervisor Communications
Employee Face-to-face
Qtrly Communication Meetings
External Mailing
- Cordero Rojo:** Employee Face-to-face
Supervisor Communications
Monthly Safety Meetings
External Mailing
- Jacobs Ranch:** Employee Face-to-face
Supervisor Communications
Monthly Safety Meetings
External Mailing
- Spring Creek:** Supervisor communications
Qtrly Communication Meetings
Monthly Safety Meetings
Employee Face-to-face

Continued from page 2 - Business Improvement at Jacobs Ranch Mine

Greg Taylor, Jacobs Ranch training coordinator, was instrumental in the design and structure of the comprehensive training program that includes cable construction, warning signs of failure, and common causes of damage. The Jacobs Ranch electrical department helped define proper isolation practices while connecting and reconnecting power cable.

The team also addressed moving powered-cable reels at shovels and how to avoid damage to power cable while using portable cable reels and powered cable handlers. Proper use of a line launcher was addressed and a coil box was designed to ensure safe launching of highwall ropes.

2. Correctly sized cable D-rings were ordered and will be placed on shovel cable reels to improve accessibility.
3. Cable reels will be added to the equipment PM schedule to allow scheduled maintenance to be performed even when the cable reel is not attached to the shovel during a PM.

Continued from page 8 - Colowyo Cooperative Wildlife Programs



Kurt Blunt's son Connor with the buck mule deer Kurt harvested on Colowyo.

All of these programs are beneficial to the Colowyo Mine and provide employees, their families, and the public with unique hunting experiences. The local government agencies continue to appreciate Colowyo's willingness to coordinate efforts to both manage land resources and allow public access to the private land.

The success of Colowyo's program is apparent. Many youth hunters have experienced their first successful big game hunt on Colowyo property!

Employees in Motion



Antelope Mine has a fresh view on the entryway wall. Madison Becker, daughter of Rose Becker, Health and Safety representative at Antelope Mine, created the art work of antelope standing alert as a train passes on the mine site. Madison is currently attending school at Eastern Wyoming College and plans on transferring to the University of Wyoming in the fall to pursue an Art Education degree. Madison was a summer student in 2007 and hopes to return in 2008. She has been an avid artist since the ninth grade and has participated in many art contests. One noteworthy experience is her submission for the FFA & 4H Foundation's Animals for Art in which she painted a number of scenes representing Converse County on a fiberglass horse. The horse was displayed in the main foyer of the Memorial Hospital of Converse County.

Antelope, deer and elk - oh, my!



Jeremy Smith, Antelope Mine, shot his first buck antelope and a 5x5 mule deer buck this past hunting season! Both were taken west of Casper with his 30-06 rifle.



Monty Stanton, Jacobs Ranch Mine, shot this 6 point bull elk near Moskee on Stanton Draw in November. He shot the elk on the land where his great grandfather homesteaded from 1901 to 1934 and built the original Buckhorn Creamery and post office on Cold Creek. The picture was taken in front of the Stanton Draw sign.

Welcome to RTEA

New hires and retirees - September 15 - December 31, 2007

Antelope Mine

John Combs
Justin Davis
Kurtis Duff
Martin Edwards
Kyle McIntyre
Mary McKenney
Thomas Mohon
Lyle Molitor
Wendy Murdock
Kelly Murdock
LaRay Owens
Miles Pawlik
Josh Sargent
Tim Shenefelt
Brigitt Vance

Colowyo Mine

Lee Gillespie
Cory Hixson
Allen Klingenberg
Jacob Olsen
Joseph Pickering
Wesley Richardson
Nicholas Scheller
Tanya Stoffle
Tory VanTassel
Betty Walls

Timothy Webster
Kenneth Wolgram

Cordero Rojo Mine

Rick Adler
Jennifer Anderson
Tammy Bauman
Matthew Benedick
Jason Christenson
Rolando Cortez
Kenneth Cross
Jerome Feterl
Vernon Garrett
Kathleen Garrett
Cathleen Hallermann
Dale Jacob
Kraig Johnston
Dustin Mayo
Calvin Monger
Christopher Smith
Timothy Stewart
Patrick Studle
Thomas Tegeler
Tamara Thomas
Scott Trent
Dawn Trujillo
Michael Wisdom

Jacobs Ranch Mine

Kord Babcock
Jason Barker
CJ Beving
Arlene Braun
John Carter
Jeffrey Embry
JoAnn Hall
Shane Hartinger
Lawrence Jeffries
Morgan Kelley
Sandra Knop
Jason Long
Karl Lybrand
Justin Merchen
Kenneth Murphey
Jacob Orban
Eduardo Oria Dimas
Nicholas Shoemaker
Lori Smith
Kevin Wendt
James Whitney
Keith Wilson
Alex Young

Gillette/RTEA

Cassandra Conner
Shannon Curtis
Ronald Keim II

Spring Creek Mine

Jean Fox
Sabrina Garner
Clay Going
Lind Hogan
Donald Johnson
Robert Marney
Victor Mayer
Scott Stoffel
Dean Stygles
Lisa Twiss

RETIREES

Antelope Mine

Joseph Rogi

Colowyo Mine

Joseph Merriam

Cordero Rojo Mine

John David
Greg Harcharik



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Rio Tinto Energy America
505 South Gillette Avenue • PO Box 3009
Gillette, Wyoming 82717-3009
(P) 307.687.6000 • (F) 307.687.6015
www.rtea.com

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RTEA News

Colowyo Cooperative Wildlife Programs

Northwest Colorado has become a premier destination for big game hunters from all over the United States. Colowyo owned lands are no exception. Over the last 20 years, Colowyo has created opportunities for our employees to hunt private land. All Colowyo employees value the opportunity and assist in managing the hunting program at Colowyo. This proactive program continues to develop and is valued by Colowyo employees as a great family experience.

To ensure sustainable land and wildlife values for current and future generations, Colowyo applies effective land management practices to the resources on approximately 84,000 acres of property. Those practices include grazing rotation plans, irrigation plans, aggressive weed control, and many others projects.

Through coordinated efforts with the Colorado Division of Wildlife, Colowyo actively participates in the Ranching for Wildlife Program, where both public and private hunters utilize Colowyo's private land. In addition, Colowyo collaborates with the Bureau of Land Management, Colorado Division of Wildlife and private landowners on the Coordinated Resource Management Area. This approach



Elk survey the landscape at Colowyo Mine.

enables the public to access private lands that receive agency cooperation to facilitate resource management and weed control.

Colowyo also opens its property to the public for a late cow elk hunt, which occurs each December. This assists the Colorado Division of Wildlife in their efforts to meet Game Management Unit targets for the elk herds.

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Contributing Writers: Colin Marshall, RTEA; John Grant, Jacobs Ranch; Dave Feist, Jacobs Ranch; Lorie Klein, Jacobs Ranch; Kay French, RTEA; Tonia Folks, Colowyo; Steve Thomas, Antelope Mine **Editor and Graphic Design:** Becki Dale, RTEA