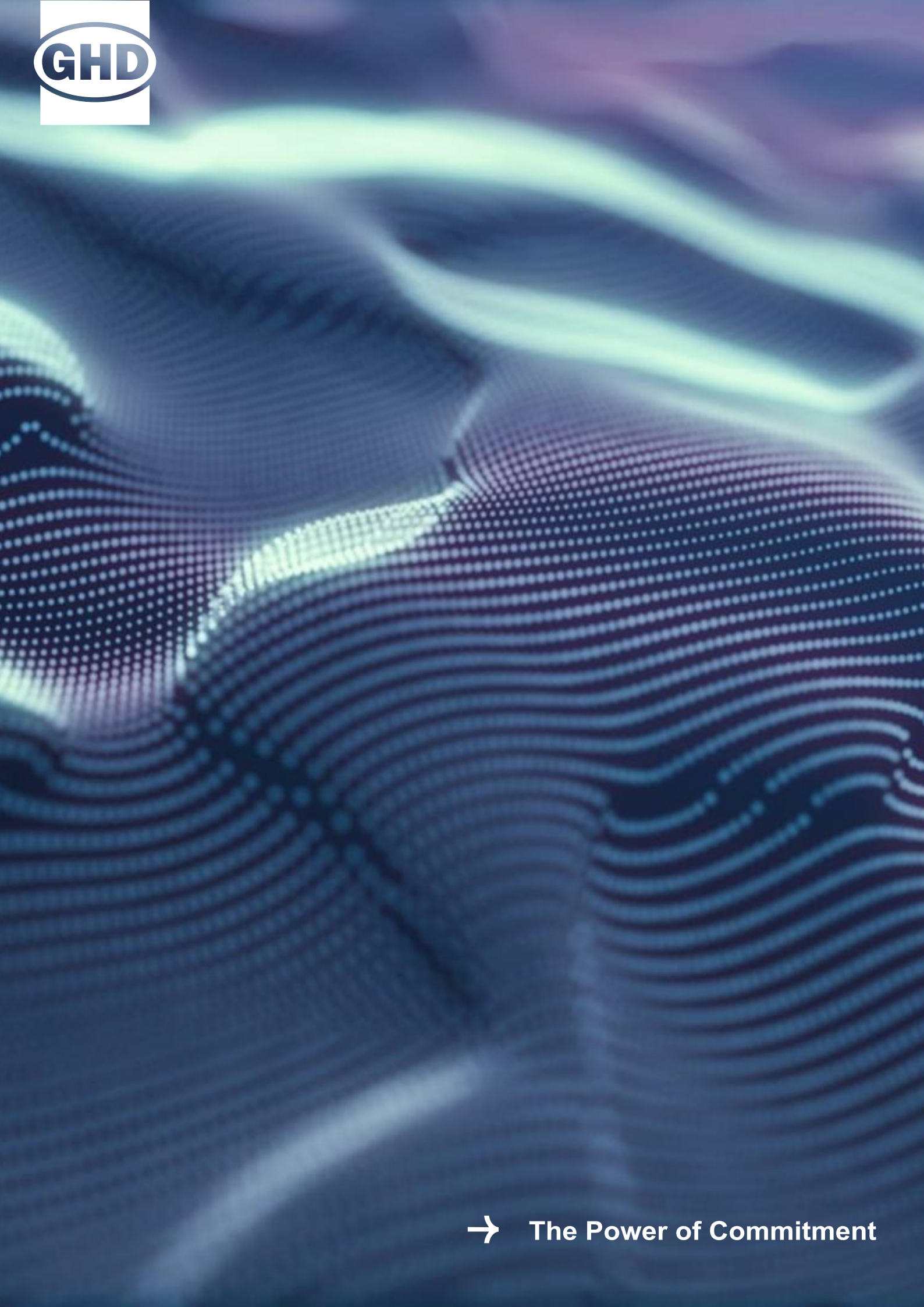

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Project name	Peabody Centurion EA Compliance Audit 2026
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GHD Pty Ltd | ABN 39 008 488 373
Contact: Leon Olsen, Audit Team Lead | GHD
133 Castlereagh Street, Level 15
Sydney, New South Wales 2000, Australia
T +61 2 9239 7100 | **F** +61 2 9239 7199 | **E** sydmail@ghd.com | **ghd.com**

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Auditor's independent verification statement

On behalf of one of its subsidiaries, Centurion Coal Mining Pty Ltd (Centurion), Peabody Australia Holdco Pty Ltd (Peabody Australia) commissioned GHD Pty Ltd (GHD) to provide an independent compliance audit in relation to an Environmental Authority (EA) that Centurion has.

The compliance audit is in relation to a Greenhouse Gas Abatement Plan, prepared for a coal seam gas (CSG) exploration project (the CSG Project) at the Centurion coal mine (Centurion Mine) in the Bowen basin – it is a compliance audit per Condition B8 in Centurion's EA Permit 100658735 issued per the Queensland Environmental Protection Act 1994. Whilst Peabody Australia commissioned GHD to conduct the audit on behalf of Centurion, it is Centurion that remains responsible for meeting the conditions of the EA.

Condition B8 of the current EA (after an update for appropriate dates) is as follows: *An appropriately qualified person must undertake an annual audit by **1 November** to determine whether the Greenhouse Gas Abatement Plan has been implemented and complied with during the previous 12 months (July 1 – June 30)*.

The period covered by the audit is 1 July 2025 to 30 June 2026, in alignment with the Centurion Mine's reporting period under the National Greenhouse and Energy Reporting (NGER) scheme.

The independent verification audit was conducted by Leon Olsen (Lead Auditor), Lydia Todoroska and Izzie Deng. Leon Olsen is a registered greenhouse and energy auditor with the Clean Energy Regulator. He has performed and reviewed multiple audit engagements on coal mining and prepared greenhouse gas estimations, including several NGER and Safeguard audits at the Centurion Mine. Accordingly, Leon Olsen is *an appropriately qualified person* able to conduct the audit per Condition B8 of the EA.

The methodology used for this audit conforms to the requirements of ISO 19011:2018 *Guidelines for auditing management systems*. The audit was performed during August – October 2026, with a visit to Centurion Mine and the project site performed in August 2026. Refer also section 2 for "Audit method and approach".

This independent verification audit has a number of limitations, including:

1. It does not include an assessment as to the quality or appropriateness of the actions undertaken, only whether the actions were undertaken.
2. It addresses only the audit required per Condition B8 of the EA – no other EA conditions are addressed.
3. The audit team has only audited the information provided and that it is true and correct at the time.

Refer also section 1.2 in respect of "audit scope", section 1.4 in respect of "Limitations" and section 2 in respect of "Audit method and approach" (especially section 2.3 in respect of "Audit methodology and sampling approach" including the limitations and risks of the approach applied).

The Lead Auditor and audit team are independent of Peabody Australia and Centurion and have not been involved with Centurion in any way during or after the period audited that could impair the audit team's independence or objectivity.

Overall, the information supplied by Peabody Australia and Centurion was sufficient to verify that it has undertaken compliant actions from the Greenhouse Gas Abatement Plan. A total of 31 audit items in the GHG Abatement Plan relating to the project's emissions commitments, actions, targets and monitoring across the 7 areas were identified using auditor professional judgement – with those 31 items being verified using auditor professional judgement for implementation and compliance to the plan - refer section 3.2 for verification details for each of the 31 items.

Verification conclusion in respect of Centurion's compliance with the Greenhouse Gas Abatement Plan

Based on the procedures performed and the evidence obtained during the audit conducted in the period August – October 2026, the audit team has verified – using the professional judgement of an appropriately qualified person – that Centurion during FY26 has implemented and complied with the identified key emissions commitments, emissions monitoring and emissions targets of the Greenhouse Gas Abatement Plan version 5:

– **Emissions mitigation commitments** – the key mitigation and adaptation actions identified in the plan relevant for FY26 have been verified as being implemented in compliance with the plan's requirements –

especially in relation to the key gas drainage activities which is directed to flaring and with venting minimised or mitigated, to mitigate emissions in compliance with the plan.

– **Emissions monitoring** – emissions monitoring and estimation methodologies, especially for the key gas drainage flaring and venting activities, align with the compliance requirements of reporting such emissions under NGER – including the CSG Project at Centurion North being part of Peabody Australia's compliance requirement to report on Centurion's emissions under NGER for FY26.
– **Emissions targets** – the emissions target for the CSG Project at Centurion North set out in the plan was met by Centurion during FY26, including in respect of Centurion's net emissions intensity obligation for the Centurion Mine under the Commonwealth's Safeguard Mechanism.

No material non-conformances or compliance deviations were identified – GHD's audit team found no contraventions of the requirements of the EA.



Leon Olsen
Lead Registered Greenhouse and Energy Auditor

GHD Pty Ltd
Level 15, 133 Castlereagh Street, Sydney, NSW 2000

30 October 2026

1. Introduction

1.1 Overview

Centurion Coal Mining Pty Ltd (Centurion) proposed a pilot coal seam gas (CSG) exploration and extraction project on ML 1790 (the CSG Project), which triggered the requirement to amend its Environmental Authority (EA) permit (P-EA-100658735), issued per the Queensland Environmental Protection Act 1994.

Under the Queensland Government's 2024 Greenhouse Gas Emissions Guideline, the CSG Project undertaken at Centurion Coal Mine (Centurion Mine) is subject to the EA. The CSG Project is located to the North of Centurion's existing underground coal mining operations at Centurion South – the CSG project is also referred to as "Centurion North". It is classified as a 'medium to high' emissions activity. As a result, the EA amendment required that Centurion develop and implement a Greenhouse Gas (GHG) Abatement Plan for Centurion's environmentally relevant activity for the CSG Project at Centurion North.

The GHG Abatement Plan (GHGAP) relates only to the CSG Project's activities at Centurion North – it does not include the ongoing coal mining activities and related GHG emissions at Centurion South. The GHGAP outlines the CSG Project's expected GHG emissions per stage and the mitigation and management measures to be implemented throughout the CSG Project's life, as required under the conditions of the amended EA Permit.

In accordance with Condition B8 of the EA, Centurion is obligated to have its GHGAP audited each year. To meet this requirement, Peabody Australia has – on behalf of Centurion – engaged Leon Olsen, an independent and accredited lead auditor (Registered Greenhouse and Energy Auditor (RGEA) registration number 0183/2013 with the Clean Energy Regulator), to conduct the audit of the CSG Project's implementation and compliance with the GHG Abatement Plan in alignment with Condition B8.

1.2 Audit scope

Condition B8 – EA Permit states:

> *An appropriately qualified person must submit an annual audit by **1 November** to determine whether the Greenhouse Gas Abatement Plan has been implemented and complied with during the previous 12 months (July 1 – June 30).*

Specifically, the scope of the audit as requested by Peabody Australia (on behalf of Centurion), was to verify:

– GHG Management and Abatement
  - Review of the Centurion North-related GHG inventory and documented emissions sources to understand how and if the calculations have been performed and if all sources have been included for Centurion North.
  - Verification of abatement measures and technologies in use as listed in the plan.
  - Verification of emissions reduction targets and performances.
  - Evaluation of monitoring and reporting protocols.
– Compliance
  - Alignment with Condition B8 of the EA Permit
  - If the key emissions commitments, monitoring and mitigation actions of the plan of relevance to FY26 has been implemented appropriately and then review and verify evidence of its operation.

For the avoidance of doubt, GHD will submit this audit report to Peabody Australia and Centurion only. It is up to Peabody Australia and Centurion to submit it to the relevant Regulator where required.

The period covered by this audit is 1 July 2025 to 30 June 2026 (FY26), in alignment with the Centurion Mine's reporting period under the National Greenhouse and Energy Reporting (NGER) scheme. No activities performed or required by Centurion outside of this period (whether before or after) are part of this compliance audit.

Per Condition B8, the audit must be conducted by an appropriately qualified person – section 1.5 in this report demonstrates how the lead auditor and GHD's audit team meets this requirement.

The GHGAP dated 19 February 2025 (Version 5) was used as the basis for this audit – this is the version that is mentioned in the EA's Condition B5. Per Condition B6 of the EA, the GHGAP for the CSG Project is to be reviewed and the annual emissions target updated as relevant each year – however, as the CSG Project only commenced in 2025, FY26 is the full year of the EA – accordingly, it is considered that first review of the GHGAP with updates to the project's emissions targets was required after the FY26 period reviewed. Version 5 of the GHGAP has been active for the CSG Project throughout the audited period.

We are aware that Centurion as required has reviewed its GHGAP and updated it in October 2026 ("Version 6"), which is relevant for the year 1 July 2026 to 30 June 2027 (FY27) – and therefore not subject to the audit for FY26.

For the avoidance of doubt:

– The scope of this audit addresses only the audit required per Condition B8 of the EA – no other EA condition is addressed by this audit. GHD is not involved in the preparation of the Statement of Compliance under Condition B9 of the EA. We understand that Centurion's own appropriately qualified person will prepare the Statement of compliance per Condition B9. Accordingly, this audit report cannot be taken to meet Condition B9's Statement of compliance.
– This audit does not provide any audit or assurance per the NGER Audit Determination, nor any assurance per any audit or assurance standards issued by the Australian Auditing and Assurance Standards Board (AUASB).

1.3 Purpose of this report

The purpose of this report is to present the findings of the compliance audit conducted pursuant to Condition B8 of the EA – i.e., in respect of Centurion's activities to implement and comply with the GHGAP at the CSG Project at Centurion North during FY26, as outlined in the scope described above. The purpose of this report is to present the findings of the compliance audit conducted pursuant to Condition B8 of the EA. Specifically, the report assesses the extent to which Centurion implemented and complied with the actions and commitments in the GHGAP at the CSG Project during FY26. With gas drained and flared from the project area during FY26, which is part of the matter audited.

This report may also provide recommendations to support continuous, compliant implementation of the GHG Abatement Plan as required by the EA – refer section 3.3.

1.4 Limitations

This report: has been prepared by GHD for Centurion Coal Mining Pty Ltd and may only be used and relied on by Centurion Coal Mining Pty Ltd for the purpose agreed between GHD and Peabody Australia Holdco Pty Ltd on behalf of its subsidiary Centurion Coal Mining Pty Ltd as set out in section 1 of this report.

GHD otherwise disclaims responsibility to any person other than Centurion Coal Mining Pty Ltd arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible. This includes providing no warranty that any 3rd parties (including any regulators, courts or other auditors) will agree with any conclusions or recommendations made by GHD in this report.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report, including in respect of audit methodology and sampling approach set out in section 2.3 of this report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report (refer section(s) 1.4.1 of this report). GHD disclaims liability arising from any of the assumptions being incorrect.

1.4.1 Assumptions

The following key assumptions were made in executing the audit and in the preparation of this report:

– All available and relevant information, which is accurate and complete as possible, was supplied as requested.

– The information supplied by Centurion and Peabody Australia, including documented information and interviews and at the site visit, was complete, true and correct at the time it was supplied.
– Centurion and Peabody Australia have brought all relevant matters to the audit team's attention and is not aware of any undisclosed information which may impact the audit findings.

1.5 Audit team

The audit team consisted of the following individuals with appropriate qualifications to conduct a greenhouse gas abatement compliance audit.

Table 1 Audit team

Team member	Role
Leon Olsen	Lead auditor, RGEA
Izzie Deng	Audit manager
Lydia Todoroska	Audit team member
Flinders Twartz	Audit team member

Leon Olsen has over 20 years of experience in emissions reporting and specialises in the coal sector, with deep expertise in regulatory frameworks and emissions reduction schemes relating to the coal industry. He has led numerous audits under the National Greenhouse and Energy Reporting (NGER) Scheme, Safeguard Mechanism including an independent Safeguard Audit under the NGER Scheme and Safeguard Mechanism for FY26 in respect of the Centurion Mine – including both the CSG Project at Centurion North and the ongoing coal mining activities at Centurion South – thereby complementing this EA audit in terms of matters reviewed and independence and freedom of conflicts required.

Izzie Deng has project managed and delivered multiple greenhouse gas assessments and NGER/Safeguard Emissions audits, including this years' High Emissions Facility Safeguard Audit for Centurion Mine. The broader audit team has also worked on the same and is familiar with the emission sources and process that were audited within this compliance audit. The audit team has significant experience in the industry-specific knowledge for a high-emitting underground coal mine and its emission reduction practices, including flaring.

All audit team members were confirmed to be independent at the time the audit was conducted.

Leon Olsen's RGEA credentials and experience with coal mine GHG audits implies that he – with the support of the capable team – meets the definition of "an appropriately qualified person" required to perform the audit – as defined by the EA:

> ***Appropriately qualified person*** *means a person who has professional qualifications, training, skills or experience relevant to the nominated subject matter and can give authoritative assessment, advice and analysis on performance relative to the subject matter using the relevant protocols, standards, methods or literature.*

2. Audit method and approach

The methodology used for this audit conforms to the requirements of ISO 19011:2018 *Guidelines for auditing management systems* (ISO 19011), including key auditing principles set forth in that guidance such as in respect of auditor integrity, fair presentation, professional due care, confidentiality, independence and evidence-based approach.

2.1 Audit execution

The audit was conducted during August – October 2026 and using the following three-phased approach.

Phase 1 – Audit planning

An opening Teams call was conducted with relevant stakeholders at Centurion and Peabody Australia to understand the progress of the CSG Project at Centurion North, as well as to plan the intended site visit and agree how Centurion and Peabody Australia were to support the audit with relevant evidence to be obtained and reviewed.

Furthermore, 31 commitments, targets and actions within the GHGAP version 5 considered by the auditor of relevance to audit for implementation and compliance to the plan was identified – and noted as “items” across 7 areas to audit and evaluate during the audit. This also considered the Queensland Greenhouse Gas Emissions Guideline (May 2024) and the audit requirements of Condition B8 of the EA, whilst considering other relevant conditions in the EA (though noting the limitation of this audit strictly only addressing Condition B8 of the EA). Based on this an audit checklist specifying each item was developed – refer also section 3.2 for a listing of the 31 items across 7 areas.

Phase 2 – Audit execution – including site visit and evidence gathering and evaluation

Based on the audit checklist, requests for information (RFI) were made to gather the evidence the auditor considered relevant in being able to evaluate Centurion’s compliance of the CSG Project during FY26 with each item of the GHGAP identified on the checklist. This included an initial RFI to also inform the site visit.

A two-day site visit to the Centurion Mine in the Bowen basin was performed in August 2026 – in conjunction with a complimentary independent NGER Safeguard audit performed by the audit team – with more than half a day to understand and inspect the CSG Project at Centurion North. This included sighting key actions such as wells, gas drainage activities and flaring at the CSG Project, and interviewing key stakeholders relating to Centurion’s actions during FY26 to comply with the identified items of the GHGAP – and identify the key additional evidence required to audit compliance against each identified item.

Following the site visit, further follow-up RFIs were made and Teams calls to interview key Centurion stakeholders were conducted to gather further evidence required to evaluate compliance of each identified item within the audit checklist.

The audit team reviewed the submitted relevant materials and information obtained from and provided by Centurion or Peabody Australia to assess the suitability, implementation, and compliance of each of the identified items of the GHGAP to be evaluated – per the checklist defined in phase 1. Compliance for each item was evaluated using the compliance evaluation criteria set out in section 2.2 below.

Phase 3 – Reporting

Following the review, GHD compiled the audit findings into this structured report, detailing observations, evidence, compliance status, and any recommended corrective actions.

2.2 Compliance evaluation criteria (audit criteria)

The auditor has adopted the following compliance evaluation criteria, to evaluate compliance of each identified item (i.e., relevant commitment, target or action identified by the auditor within the GHGAP for the audited period):

– **Compliant**: Evidence reviewed by the audit team supports Centurion’s status of implementing the item identified within the GHGAP for the year audited at the CSG Project. This has been shown by the colour green.

– **Non-compliance**: Evidence reviewed by the audit team does not support Centurion's status of implementing the items identified within the GHGAP for the year audited. This has been shown by the colour red.
– **Partial compliance:** Evidence reviewed by the audit team in some areas support Centurion's status of implementing the item identified within the GHGAP for the year audited at the CSG Project. This has been shown by the colour yellow.
– **Not applicable**: Item of the GHGAP that is considered relevant to periods outside of the audit period or specified timeline for this audit.

2.3 Audit methodology and sampling approach

To evaluate the implementation and compliance of the GHGAP version 5 during FY26, GHD's audit team adopted judgemental (non-statistical) evidence gathering approach – aligned with how this is allowed for ISO 19011 confirming audits.

Rather than applying arbitrary statistical sampling across data registers, the audit framework was structured around specific commitments, targets and mitigating actions identified (i.e., "items") within the GHGAP version 5 of relevance to GHG adaptation at the CSG Project at Centurion North during FY26. For each identified item, the audit team defined and sought out relevant evidence (be it via interview, observation or records) seeking to corroborate and verify whether the item was implemented and complied with by Centurion at the CSG Project during FY26.

Statement of sampling, evidence gathering and compliance evaluation limitations and risk

In alignment with ISO 19011, users of this report are advised that the sampling approach used is a judgemental and evidence-based sampling and evidence gathering exercise – with auditor professional judgement applied based on the auditor being an appropriate qualified person (as a RGEA and with a supporting qualified audit team) – including:

– **Identifying relevant items to audit**: Whilst the whole GHGAP version 5 has been considered, significant professional judgement was applied by the auditor to identify which key relevant items of the plan (i.e., relevant commitments, targets and mitigating actions) were identified and audited – these identified items are reflected in the audit table in section 3.2. Only items identified through the auditor's professional judgement has been subject to evidence gathering and evaluation as to whether Centurion complied with the item during FY26.
– **Judgemental evidence gathering**: Whilst all identified items were evaluated, the evidence obtained and reviewed to corroborate and verify compliance with the plan were sampled based on the audit team's professional judgement.
– **Judgemental compliance evaluation**: Evaluation of compliance of each item was performed based on the audit team's professional assessment and judgement of the relevant evidence gathered from and provided by Centurion and/or Peabody Australia.

Accordingly, there is an inherent element of uncertainty and limitation, where undetected non-compliance could remain within elements of the plan not identified as items for audit, or within evidence not sampled or provided to us by Centurion or Peabody Australia – and depends on the auditor's (or audit team's) professional judgement of compliance of the corroborating and verifying evidence for each item audited. The conclusions on compliance for each item presented in section 3.2 of this report and summarised in the verification statement at the start of this report, are based strictly on the evidence obtained from and provided by Centurion and Peabody Australia and the professional auditor judgement made by the audit team based on that evidence.

Furthermore, users of this report should note that the ISO 19011 principle of using a risk-based approach in planning, performing and evidence gathering has not been fully applied for this audit – instead of a risk-based screening, all relevant items of the GHGAP version that was identified were evaluated for compliance, using a verification approach. This is because the primary objective of the audit was to verify the status of all identified items as the primary way to evaluate whether the GHGAP has been implemented and complied with by Centurion during FY26.

Though, some risk-based approach was applied – specifically in respect of whether the project's gas drainage and flaring activities that is key to meeting the emissions commitments of the GHGAP were appropriately implemented during FY26 and whether Centurion during FY26 had appropriate approaches to monitor the gas drainage and

flaring activity, including to minimise venting and gather relevant gas drainage emissions data – in order to evaluate whether the emissions targets / projections for FY26 set out in the GHGAP for the CSG Project was met. This is due to the auditor's professional judgement of these items being more important than other identified items in considering whether the intent and objective of the GHGAP was implemented and complied with during FY26. Accordingly, more robust evidence to confirm compliance to these items were collected and evaluated by the audit team.

3. Summary of audit findings

3.1 Status of works

As at the date of the audit, the CSG Project activities have been ongoing since March 2025, and has included gas drainage and flaring and mining of the exploration area.

A portion of the total project scope had been completed in FY26 – which is the first full compliance year of the EA – including:

– 12 vertical production wells and 12 associated lateral wells have been drilled as part of the Project.
– Drilling was completed in FY25, with no further drilling occurring in FY26.
– FY26 has seen the commencement of gas drainage and flaring and the associated emissions mitigation activities set out in the GHGAP.

It is understood that the flaring from Centurion North exceeded expectations and that the CSG Project achieved >99% flaring for the wells associated with Centurion North, with no instances of venting during the audited period.

3.2 Audit findings

Table 2 below provides a description of our audit findings and conclusion for each identified item of the GHGAP evaluated for implementation and compliance – reasoning is included in the 'summary of findings' and 'conclusion' column.

Compliant	Partial Compliance	Non-Compliance	Not applicable

Table 2 Table of audit findings

#	Item in GHGAP identified for audit	Evidence Reviewed	Summary of findings	Conclusion
1 – Implementation of the project's key GHG emissions-related activities				
1.1	Up to 13 vertical wells and 13 lateral wells will be drilled for the project.	Observation during Centurion site visit August 2026. Interviews with Centurion's Technical Services Manager and Gas Drainage Officer.	12 vertical and 12 lateral wells were drilled, within the limit of 13 of each.	Compliant
1.2	Each well will be constructed and operated within the boundaries of a drill pad. A total of 19 drill pads are proposed.		6 drill pads for wells have been established, within the limit of 19. SIS skids were observed on a number of wells during the site. Fewer wells were operating than anticipated in the plan due to a decision by Centurion to further mitigate scope 1 GHG emissions in FY26.	Compliant
1.3	During the project's operation, the CSG from each vertical well will be connected to a low-pressure pipeline to a candle stick flare kit located within the disturbance of the footprint of the drill pad. The flare will enable combustion of all extracted methane to minimise the emissions intensity of the project's operation.		Candle-stick flares connected by a short pipeline to the SIS skids on the vertical wells were observed flaring CSG during the site visit and it was confirmed the CSG flow drained at low pressure.	Compliant
1.4	Data logging will take place to record the amount of CSG produced from the wells.	Interview with Centurion's Gas Drainage Officer. Centurion's FY26 gas drainage data sampled and tested. Peabody Australia's FY26 NGER Inventory.	Gas flow from the SIS skids was measured in real time using calibrated flow meters and compiled into monthly gas drainage spreadsheets at 15-minute intervals and estimated and reported in Peabody Australia's FY26 NGER reporting for the Centurion Mine.	Compliant
1.5	CSG will be flared 24 hours per day from each well – anticipated to produce an average flow of 500 L/sec at 30ºC from each well and comprise >99% methane.		Centurion's gas drainage operation runs 24/7, including at the SIS wells operating at the project – which is corroborated by Centurion's gas drainage data sampled and tested. Peabody Australia's FY26 NGER Inventory recorded no venting from Centurion North (i.e. continuous flaring). Average methane content was 96.5%, slightly below the anticipated >99%; this did not affect flare abatement or efficiency. Sampled June 2026 gas flow data showed an average flow of 431 L/s.	Compliant

1.6	It is proposed that on-site generators are used to provide electricity for the vertical drill pads – a total of 13 generators are required. High-voltage connection to the electricity network will not be required.	Observation during Centurion site visit August 2026.	No grid connection to the project area was observed during the site visit, and it was confirmed that electricity required to power the SIS skids (including to dewater wells) was generated by on-site diesel generators. Less than 13 diesel generators were confirmed to have been installed.	Compliant
1.7	Diesel combusting equipment will be used in the construction, maintenance and operation of the access tracks, drill pads and wells, including: Dozers Graders Trucks Vibratory soil compactors Vegetation slashers.	Centurion email confirming no drilling in FY26. Centurion North equipment register.	No drilling was conducted in FY26, it was all completed in FY25 during the first months of the EA (and covered in last year's EA audit). Civil equipment used in FY26 was limited to a body truck and water cart trailer (dewatering and dust suppression), a service truck (generator refuelling) and a grader (road maintenance).	Compliant
2 – The project's key GHG emissions commitments				
2.1	The project's emissions reduction measurement and targets will be based on the net emissions intensity target for Centurion Mine under the Commonwealth Safeguard Mechanism.	Independent FY26 NGER Safeguard Audit in respect of Centurion Mine. Observation during Centurion site visit August 2026. Interviews with Centurion's Technical Services Manager and Gas Drainage Officer. Centurion's FY26 gas drainage data sampled and tested. Independent FY26 NGER Safeguard Audit in respect of Centurion Mine.	The CSG Project at Centurion North is included within the Centurion Mine's NGER facility reporting boundary – this implies that the project's emissions are included in the Centurion Mine's net emissions intensity target under the Commonwealth Safeguard Mechanism – i.e., the project's scope 1 emissions (along with Centurion South's emissions) count towards Centurion Mine's calculation of the baseline number for Centurion's annual net emissions intensity – based on the combined emissions at Centurion North and South against the tonne of Run-of-mine coal production at Centurion South. Accordingly, the project's emissions are included in any liability for acquiring and surrendering carbon credits required by Centurion under the Safeguard Mechanism.	Compliant
2.2	Flaring of drained CSG is currently utilised as a key emission reduction measurement.		Flaring was confirmed as the key emissions reduction strategy, with flaring performance at the project exceeding expectations for FY26 set out in the plan, especially in respect of avoiding venting (refer item 3.3).	Compliant
2.3	Communication enhancement to optimise equipment runtime was successfully implemented.		Flare operations are connected to Centurion's control room monitoring the flare temperature sensor and with alarms if flaring fails and is not auto-reignited immediately (refer item 6.2). Flares were reported as operational 100% of the time, with no flare outages at Centurion North (refer item 3.3)	Compliant
2.4	Annual emissions reporting in compliance with the NGER Act was undertaken.		Centurion North emissions were reported through Peabody Australia's established NGER reporting process.	Compliant
3 – The project's FY26 GHG emissions performance				

3.1	The project's GHG emissions performance are to be estimated in accordance with NGER.	Peabody Australia's FY26 NGER Inventory. Peabody Australia's FY26 NGER Basis of Preparation. Independent FY26 NGER Safeguard Audit in respect of Centurion Mine. Observation during Centurion site visit August 2026.	The project's emissions are estimated and reported as part of the Centurion Mine's overall emissions reporting under NGER – which is reported by Peabody Australia (refer item 2.4). This includes the project's FY26 gas drainage emissions being monitored and estimated in accordance with NGER – with gas drainage flaring emissions estimated in accordance with Method 2 per s3.15 and s3.15A of the NGER Measurement Determination, and any gas drainage vented emissions for the project estimated in accordance with Method 4 per s3.6 of the NGER Measurement Determination. Both these methods require monitoring of gas flow and gas composition at the emissions point (direct emissions monitoring). The project's FY26 diesel emissions in Peabody Australia's NGER Inventory have been estimated using NGER Method 1, and applying measurement criterion A.	Compliant
3.2	The focus of the project's GHG emissions is Scope 1 emissions. Scope 2 emissions are not applicable, and the project will not produce a product, therefore no downstream scope 3 emissions – and upstream scope 3 emissions have not been considered.	Centurion's FY26 gas drainage data sampled and tested. Interview with Centurion's Gas Drainage Officer.	As there is no electricity at the project at Centurion North (refer 2.4 above), scope 2 GHG emissions are confirmed to not be relevant for the project. Centurion Mine produces metallurgical coal from underground coal extraction at Centurion South – as well as underground coal extraction of "development coal" towards the project at Centurion North, but without any coal extraction or other production of any product being within the projects ML – and therefore there are no scope 3 downstream GHG emissions. Upstream scope 3 GHG emissions are not included in the project's emissions estimation and reporting.	Compliant
3.3	FY26 total scope 1 emissions were in the plan estimated at 431,500 tonnes CO_2-e, including 292,191 tonnes CO_2-e from flaring and 134,909 tonnes from venting.		Total Centurion Mine facility (including Centurion South) FY26 scope 1 GHG emissions exceeded 1 million tonnes CO_2-e – the majority of these emissions occurred at Centurion South and therefore not attributable to the project. The project at Centurion North contributed mainly gas drainage related emissions, which across all of the Centurion Mine for FY26 was estimated at approximately 208,000 tonnes CO_2-e for gas drainage flaring and 31,000 tonnes CO_2-e for gas drainage venting – again with the majority of these emissions occurring at Centurion South and therefore not attributable to the project. Based on Peabody Australia's FY26 NGER Inventory, the project at Centurion North accounted for far less than the emissions estimates set out in the plan, and comprised only flaring emissions, with no gas drainage venting occurring at the project during FY26. Accordingly, the project performed well within the estimated scope 1 GHG emissions set out in the plan. Key contributor to this was the decision to drain CSG from less wells than planned at the project, and the successful avoidance of any venting during FY26. In the plan gas drainage venting was estimated at 5% of total CSG drained at the project during FY26 – given the high methane content, this would contribute significant GHG emissions, which were avoided during FY26.	Compliant
4 – The project's key GHG emissions reduction target				

4.1	The scope 1 GHG emissions reduction targets for the project will be in line with the Safeguard Mechanism baseline's annual reduction in net emissions for the Centurion Mine (including Centurion South) as the Safeguard facility. This implies a FY25 net emissions baseline (to be achieved in FY26) of 0.3201 tCO_2-e per tonne of ROM coal produced – and a FY26 net emissions target (to be achieved in FY27) of 0.2889 tCO_2-e per tonne of ROM coal produced.	Clean Energy Regulator website in respect of Centurion's safeguard baseline position. Peabody Australia's FY26 NGER Inventory. Independent FY26 NGER Safeguard Audit in respect of Centurion Mine. Interview with Peabody Australia's responsible NGER process owner.	During FY25 Centurion's scope 1 GHG emissions exceeded the emissions intensity baseline emissions number significantly given it was a mine in development with limited coal production, but significant scope 1 emissions at Centurion South (only immaterial scope 1 emissions from the project at Centurion North). This implied a low emissions intensity baseline emissions number for Centurion under the Safeguard Mechanism. Per the Clean Energy Regulator's website, Centurion acquired and surrendered the required amount of carbon credits during FY26 to meet its FY25 net emissions baseline number (i.e., target, based on the required emissions intensity) for the Centurion Mine (including Centurion North) under the Safeguard Mechanism. During FY26 Centurion again exceeded the emissions intensity baseline emissions number significantly. Whilst Centurion South commenced full longwall metallurgical coal production in February 2026, production was lower than expected whilst scope 1 emissions remained high – as is typically the case for underground coal mining facilities. The gas drainage emissions at the project at Centurion North (refer item 3.3 above) contributed to this exceedance. We understand that Centurion intends to acquire and surrender the required amount of carbon credits during FY26 to meet its FY27 net baseline number (i.e., emissions intensity target) under the Safeguard Mechanism.	Compliant
5 – The project's GHG emissions reduction program				
5.1	Operation of flares at >95% availability.	Peabody Australia's FY26 NGER Inventory. Centurion North GHGAP Revision 6 (October 2026).	An average flare rate of 98% was achieved in FY26, supported by zero vented flow recorded for Centurion North.	Compliant
5.2	Real time monitoring of the flare's ignition system with alarms.	Observation during Centurion site visit August 2026. Interview with Centurion's Gas Drainage Officer.	Centurion North used the same real-time monitoring and alarm system as Centurion South: flame temperature sensors linked to SCADA alarm the control room until a failed flare is reignited. No alarms were triggered at Centurion North in FY26.	Compliant
5.3	Full-time Gas Drainage Engineer employed to monitor and address performance of gas drainage and flare operation.		A full-time Gas Drainage Officer was employed with the Technical Services Manager accountable for managing GHG emissions at Centurion North.	Compliant
5.4	Use of personal methane gas monitors to detect fugitive emissions.		The Gas Drainage Officer confirmed that operators carry portable gas detectors.	Compliant
5.5	Tracking response times to alarms.		No alarms or incidents occurred at Centurion North in FY26; therefore, no responses were required.	Compliant

5.6	Use and maintenance of fuel-efficient plant and equipment.	Interview with Centurion's Gas Drainage Officer. Centurion North Equipment Register Centurion correspondence regarding maintenance schedule and SAP records.	Plant and equipment were fit for purpose, and skids used an on-demand feature to reduce diesel use. Diesel generators were serviced every 500 hours under an equipment regime. Flaring equipment was new and inspected daily, with only minor electrical maintenance required.	Compliant
5.7	Monitoring of diesel use.	Interview with Centurion Gas Drainage Officer. Contractor diesel tracking sheet. Peabody Australia's FY26 NGER Inventory.	Diesel use was tracked through contractor records for the audited period that the Gas Drainage Officer has. Furthermore, the Peabody NGER Inventory provides evidence that diesel is tracked and recorded for diesel emissions reporting across the Centurion Mine (including the project at Centurion North).	Compliant
5.8	Operator training.	Gas tester certificates	Operators were trained to inspect and operate the skids under a Centurion training package.	Compliant
6 – The project's use of advancing technologies and opportunities				
6.1	Centurion uses flare units with higher reliability and auto-ignition functions – if the flare stops, the temperature sensor triggers an auto-reignite to immediately re-start flaring.	Observation during Centurion site visit August 2026. Interview with Centurion's Gas Drainage Officer. Independent FY26 NGER Safeguard Audit in respect of Centurion Mine. Peabody Australia's FY26 NGER Inventory.	The Gas Drainage Officer explained that the flaring equipment installed for Centurion North were brand new, with auto-ignition functions. Temperature sensors on SIS skids were confirmed during the audit.	Compliant
6.2	If for any reason auto-reignite fails, then an alarm is sent to the control room and an operator is dispatched to rectify the matter.		Flare operation, including temperature sensor readings, are linked to the Centurion control room for constant monitoring, also for safety reasons – during the site visit we visited the control room, and the Gas Drainage Officer explained to us that in case of a failing flare and reignite, an alarm will be triggered in the control room – with operator response times having improved significantly after full longwall mining operations commenced, due to more people available at Centurion Mine.	Compliant
6.3	With the new systems in place the flare rate has increased to above 99%. The system will be applied to the project.		The FY26 NGER Inventory reported 0 m^3 vented from Centurion North, indicating a flare rate of >99%.	Compliant
7 – The project's GHG emissions monitoring, reporting and auditing				
7.1	Monthly reviews of incoming and outgoing reports have been conducted, including review of how Centurion is		Monthly emissions reviews (covering trends and calibration) were held between site and Peabody Australia Corporate, supported by a fortnightly data	Compliant

	performing against the annual emission intensity targets per the Safeguard Mechanism.	Observation during Centurion site visit August 2026.	working group and increased Finance involvement in Safeguard Mechanism obligations.	
7.2	Quarterly report reviews of activity data and emissions estimates have been completed.	Interview with Centurion's Gas Drainage Officer.	Activity data and emissions, including Safeguard Mechanism estimates, were reviewed regularly (refer item 7.1), and Centurion North operations were adjusted accordingly. Monthly gas drainage reports were also prepared.	Compliant
7.3	An annual review and summary report has been completed.	Centurion North GHGAP Revision 6 (October 2026).	A new Section 4.7 "Progress and Updates" was added to GHGAP Revision 6, supported by regular reviews (refer item 7.1).	Compliant
7.4	Targeted third-party voluntary assurance engagements on NGER emissions and energy estimates have been conducted, which may have been extended to also cover emission reduction targets.	Independent FY26 NGER Safeguard	Peabody Australia commissioned a 3rd party independent NGER Safeguard Audit in respect of Centurion's scope 1 emissions and production variable (being ROM coal) used by the Clean Energy Regulator to determine Centurion's emissions intensity baseline emissions number for FY26.	Compliant
7.5	Per condition B6 of the EA, the GHGAP must be reviewed every year to update the annual emission targets (as expressed in tCO_2-e to reflect the actual production variable and emission reduction program to incorporate opportunities to further reduce emissions and improve energy efficiency.	Centurion North GHGAP Revision 6 (October 2026).	FY26 is the first full compliance year of the EA – implying that the project's GHGAP was not required to be updated within the audited period – this is because the updated GHGAP per condition B10 must be published 20 business days after the completion of this audit. However, we have noted that Centurion has performed a review of and updated its GHGAP, into "revision 6" by October 2026, which includes an update to the project's FY27 emissions projection – which will be relevant for next year's EA audit.	Not applicable for FY26

3.3 Recommendations

As noted in item 7.5 in section 3.2 above, Centurion is – per condition B6 of the EA – required to review the GHGAP each year and update the annual emissions target (as expressed in tCO_2-e).

Whilst this was not applicable to FY26 as the first full year of the EA audited for this report, we have reviewed Centurion's updated GHGAP. We recommend that Centurion checks whether it meets all the relevant requirements for the GHGAP set in the EA – including Condition B7 stipulating that updates to the GHGAP must meet the requirements of Appendix A of the latest version of the Queensland Greenhouse Gas Emissions Guideline.

Furthermore, to make the annual audit process easier and more efficient, we also recommend Centurion maintains a workbook or folder which holds the evidence and data required to document Centurion's progress towards its mitigation measures.

4. Conclusion

Our verification conclusion based on the evidence obtained is provided at the front of this report.



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