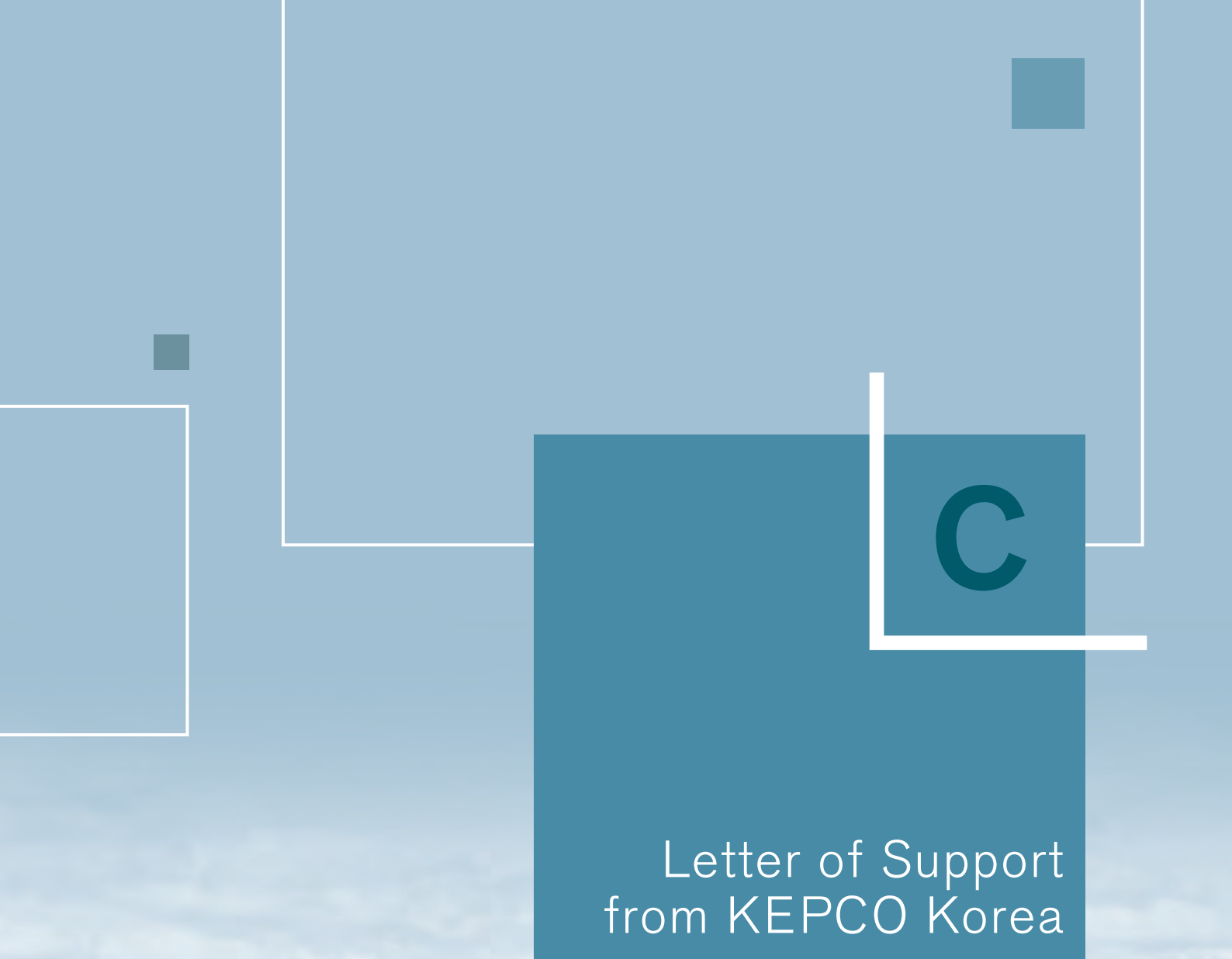




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Letter of Support from KEPCO Korea



55 Jeollyeok-ro Naju-si
Jeollanam-do 58217 KOREA
Phone: (+82) 61 345 3114

4 January 2018

The Hon. Anthony Roberts MP
NSW Minister for Planning
52 Martin Place
SYDNEY NSW 2000
AUSTRALIA

Dear Minister,

RE: Bylong Coal Project

We write in relation to the Bylong Coal Project ('Project'), which is currently the subject of environmental planning assessment by the NSW Government. Korea Electric Power Corporation ('KEPCO') seeks to specifically address the issue of long-term demand for coal that will originate from the Project.

By way of background, KEPCO has driven the nation's remarkable growth over the last 120 years. KEPCO is a global innovator in electrical power technology and was recently recognised as the world's top electric power utility (Forbes, 2016). Our company is responsible for more than 80% of South Korean electricity generation, servicing industrial, commercial and residential customers.

Coal is the most dominant source of power in Korea, representing 30% of total installed capacity, and 40% of total electricity generation. While KEPCO is committed to further developing renewable energy technologies, the company believes that coal will continue to remain a dominant source of energy over the next 25 years (i.e. life of the Project).

South Korea is highly dependent on the importation of its energy sources from abroad. In 2016, KEPCO, via its wholly owned subsidiaries, imported 78 million tonnes (Mt) of thermal coal, with 30 Mt of this coming from Australia. An increase of 39% in coal consumption has been recorded in the decade to 2016, and the company trusts that future demand will play an important role in the energy requirements over the next decade.

It is strategically important to KEPCO to have diverse and suitable sources of coal. Australian coal, and NSW coal in particular, is critical in this regard. The quality of thermal coal used by KEPCO is of vital importance – hence the 4.5 to 5 Mt/annum of high-quality, low emission product to be sourced from the Project over its planned 25 years of production is particularly suited to our ongoing electricity generation requirements.

We trust that this letter adequately sets out the important role that the Project will play in enabling KEPCO to meet the electricity generation requirements of the Korean people over the next 25 years.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bong Soo Ha', with a stylized flourish at the end.

HA, BONG SOO
Executive Vice President & Chief Global Business Officer
Korea Electric Power Corporation

CC: The Hon Don Harwin MLC
NSW Minister for Resources
52 Martin Place
SYDNEY NSW 2000
AUSTRALIA