

Rio Tinto Coal Australia Pty Limited
GPO Box 391
Brisbane Queensland 4001
Australia
T +61 (0) 7 3625 3000
F +61 (0) 7 3625 3001

4 May 2015

Mr Marcus Ray
Deputy Secretary – Planning Services
Department of Planning & Environment
GPO Box 39
Sydney NSW 2001

Dear Mr Ray

**Warkworth Continuation Project (SSD 6464) & Mt Thorley Continuation
Project (SSD 6465) – Voluntary Planning Agreement Offer Terms**

We wish to advise the applicant has reached in-principle agreement with Singleton Council on an offer amount for a Voluntary Planning Agreement for the above-mentioned development applications.

The total amount of this offer is \$11,000,000 over the 21 year life of the development consents. While the payment schedule is still to be determined, the offer is made on the basis that SSD 6464 and SSD 6465 are approved by the relevant regulatory authorities, and all aspects of the development consent are implemented. The payments will apply while the proponent holds development consents and appropriate mining lease(s) which allow for mining in the areas and at the production rates proposed in SSD 6464 and SSD 6465.

It is our understanding that Council will formally consider the offer at its ordinary meeting on 18 May 2015.

Should you require any further information or clarification, please do not hesitate to contact the undersigned.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Anthony Russo".

Anthony Russo
Manager – Project Approvals
HSEC, Coal Australia

T: +61 (0) 7 3625 4823
M: +61 (0) 429 480 163
E: anthony.russo@riotinto.com