

18 November 2013

NSW Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Sir,

Re: Letter of Support for PWCS' Proposed Terminal 4 Project

I write to you as the Chairman of Spur Hill Management Pty Limited, the manager of the Spur Hill Joint Venture (SHJV). The Joint Venture participants hold Exploration Licence 7429 near Denman in the Hunter Valley of New South Wales.

The SHJV plans to develop the Spur Hill Underground Coking Coal Project (SHUCCP). This coal project, when approved and constructed will produce 5 to 7 million tonnes per annum of export quality coals for a period exceeding twenty years. The SHUCCP is scheduled to commence development in 2015, with longwall coal production commencing in early 2018. The coal from the SHUCCP will be shipped to worldwide customers through the Port of Newcastle.

The Capacity Framework Agreement which governs the management of the coal loaders at the Port of Newcastle is a key strategic plank for coal producers in the Hunter Valley, in particular developers of new coal projects like the SHUCCP. This mechanism ensures that new coal producers can gain capacity through the Port. The proposed Terminal 4 (T4) is a necessary expansion to ensure sufficient capacity to meet the growth of coal exports.

We understand PWCS' Preferred Project Report (PPR) for the proposed T4 is currently on public exhibition. Accordingly, we submit our support for the project for the following reasons:

- The project will provide significant economic benefit to Newcastle, the Hunter region and NSW by generating local employment and business opportunity during construction of the T4 and during its operations.
- PWCS has delivered a significant biodiversity offset package (approximately 850 ha) with land secured at Tomago, Ellalong and Brundee, as well as investing in captive breeding and research programs for the Green and Golden Bell Frog. The committed offset initiatives more than adequately offset the environmental impact on the T4 site as a result of construction of the terminal.

- We believe that PWCS has designed T4 to contain “state of the art” dust and noise mitigation measures, which is supported by appropriate modelling predicting cumulative levels of dust and noise as a result of T4 to remain within Government guidelines for health and amenity.
- Construction of the T4 terminal provides a significant opportunity for the private sector to fund the capping and containment of contaminants that currently exist within the proposed T4 site. Without private sector funding such as that from PWCS’ T4 project, the accountability for capping and containment of contaminants rests with the NSW State Government.
- PWCS have proven to be a responsible developer, operator and active member of the community in Newcastle. PWCS has been operating and expanding their business in Newcastle for over 30 years contributing greatly to the local economy. The opportunity they provide as a significant employer for training and jobs for young people and security for families cannot be understated.
- The coal industry has made a significant contribution to the economic development of the Hunter region, Newcastle, NSW, and Australia. Approval of the T4 project continues that contribution and is necessary for future growth in coal exports from Newcastle.

Yours faithfully

Spur Hill Management Pty Limited



Wayne Seabrook
Chairman