



**Institute for Energy Economics
and Financial Analysis**
IEEFA.org

Sydney
June 23rd, 2017

Re: Hume Coal Project Proposal

Dear Sir or Madam,

The Institute for Energy Economics and Financial Analysis (IEEFA) conducts research and analyses on financial and economic issues related to energy markets.

IEEFA has reviewed the details of the Hume Coal proposal as disclosed in the Environmental Impact Statement and supporting appendices and modelled the expected cash flows. The results of our review and modelling are set out in our report – Hume Coal Update 2017: Superior Alternatives Are Available – which we have submitted to the Hume Coal EIS review process.

In our report, we find that the project is held back by numerous factors that lead to a negative net present value for the proposal. On a financial basis, the proposed project should not proceed in IEEFA's opinion.

We hope that you find the submitted Hume Coal Update 2017 report informative and useful in your decision making.

Yours sincerely,

Tim Buckley
Director of Energy Finance Studies, Australasia
tbuckley@ieefa.org
IEEFA
Sydney

Simon Nicholas
Energy Finance Analyst
snicholas@ieefa.org
IEEFA
Sydney