

BERRIMA RESIDENTS ASSOCIATION Inc.

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Mr Sungwon Yoon
Managing Director
POSCO Australia Pty Ltd
Suite C, Level 49 Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

3 June 2016

Dear Mr Sungwon Yoon,

Hume Coal Project, Berrima

I refer to your letter dated 29 February 2016 in reply to our letter expressing the Association's concern to your parent company in Korea with its wholly owned Hume Coal Project at Berrima in the Southern Highlands of NSW.

In recent months, many members of our Association have attended public meetings in the Highlands where Hume Coal has outlined its proposed plans to build an underground coal mine in the Sutton Forest/Exeter area. The proposed plan locates surface mine support infrastructure, including a coal washery, the coal storage facility and rail connections within a few kilometers of Berrima Village.

Spokespersons for Hume Coal have assured residents that the impact on our lives of the proposed mine will be minimal. However, the experience of residents at Medway from exposure to coal dust, subsidence from mine workings and pollution of the Wingecarribee River contradict Hume Coal's assurances. In addition, local studies on the impact of groundwater on the region's vegetation and rural businesses also suggest that the risks associated with a coalmine that proposes to extract only 35 percent of the available resource are unacceptable.

We understand that Hume Coal rejects the findings of the groundwater study and claims that the project will deliver substantial economic benefit, through local investment and jobs. A further issue is that the area proposed for mining has high built heritage and landscape values, which may be compromised by the proposed mine. Thriving local agricultural businesses and tourism are significant contributors to the local economy and may also be threatened by coal mining, thereby reducing the net economic benefit to the local area and the State. A further issue is the sustainability of Berrima's water supply.

We acknowledge the considerable investment POSCO has made in the project. In our view the issues raised by the mine plan are contestable and the information that Hume Coal has provided the community to date, at its public meetings and on its website, is not persuasive.

We appreciate that you would prefer to proceed to mining with the support of the community. Accordingly, to enable your company the opportunity to put its case to our community, we invite representatives of Hume Coal to participate in a public meeting in Berrima, at a mutually agreed time and date, where a panel of experts representing both sides of the issue can present the arguments in favour of, and opposed to, the Hume Coal Project, followed by time for questions from the audience.

I look forward to your positive response to this proposal.

Yours faithfully,
(Dr.) Eric Savage BSc. (Hons.)(Applied Geology), Ph.D. UNSW., B.A. (Sydney)
President