

14 December 2012

The Hon Brad Hazzard MP
Minister for Planning and Infrastructure
Minister Assisting the Premier on Infrastructure NSW
c/- Mr David Mooney
Department of Planning and Infrastructure
GPO Box 39
Sydney NSW 2001



Dear Mr Mooney,

RE: Drayton South Coal Project (11_0062) – Submission on the Environmental Assessment

Comments on the Drayton South Coal Project

Spur Hill Management supports Anglo American Metallurgical Coal's proposal due to:

- continuity of employment for the existing workforce at the Drayton Mine, and;
- the continued contribution of Drayton as a member of the mining industry to regional investment and employment opportunities in NSW and, more specifically, the Muswellbrook region.

Background of the Spur Hill Underground Coal Project

Spur Hill Management Pty Ltd (Spur Hill Management) is in the exploration phase of the Spur Hill Underground Coal Project within Exploration Licence (EL) 7429. The Spur Hill Underground Coal Project is located adjacent to the Drayton South Coal Project within EL 5460.

The Spur Hill Underground Coal Project has an indicated and inferred resource of approximately 500 million tonnes and has the potential to produce up to approximately 10 Million tonnes per annum of saleable soft coking coal, semi-soft coking coal and thermal coal over the life of the project.

The Spur Hill Underground Coal Project would facilitate the creation of employment opportunities for up to approximately 400 employees during the operational phase of the Project at peak production. It would also generate revenue to all levels of government including potentially \$90 million per annum in royalties or greater, (depending on coal prices), to the NSW Government.

As the Department of Planning and Infrastructure is aware, Spur Hill Management is in the process of commencing the assessment process for State Significant Development under Part 4 of the NSW *Environmental Planning and Amendment Act, 1979*. In September this year, the Division of Resources and Energy supported the proposed Spur Hill Underground Coal Project proceeding to the planning assessment and approval process, as a responsible utilisation of the State's valuable coal resources.

Comments on the relationship of Drayton South Coal Project and the Spur Hill Underground Project

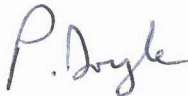
Spur Hill Management recognises the potential opportunity for the sharing of infrastructure between the Drayton South Coal Project and the Spur Hill Underground Coal Project, including coal processing and coal transportation infrastructure.

There are significant benefits to avoiding infrastructure duplication including economic efficiencies and environmental benefits associated with a reduction in cumulative impacts in the region.

Spur Hill Management requests the consideration of the consent authority to the opportunities for future infrastructure sharing and efficiencies between proposed mining operations in the area. This approach is consistent with a consideration of cumulative impacts at a regional level.

Representatives of Spur Hill Management are available to discuss these potential opportunities further with the Department of Planning and Infrastructure and Anglo American Metallurgical Coal.

Yours sincerely,
Spur Hill Management Pty Ltd



Peter Doyle
Project Director