

The Treasury

Solid Energy Information Release

May 2013

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information, or who is the subject of the information
- [3] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [5] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
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- [7] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [8] Information is out of scope or not relevant.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: John Crawford
Sent: Friday, 24 August 2012 7:50 a.m.
To: Chris White
Subject: Fw: Solid Energy Update

From: Bill Luff [<mailto:Bill.Luff@solidenergy.co.nz>]
Sent: Thursday, August 23, 2012 11:17 PM
To: John Crawford
Cc: ^SOLID: Don Elder
Subject: Solid Energy Update

John

An update for you.

1. We have provided Alan Jackson, early last evening, with the primary papers on Spring Creek to which he has responded with questions this evening. In order to expedite this exchange we have suggested to him a meeting either in Christchurch or wherever suits him, as soon as possible.

2. Our strong preference is to announce all major decisions (Spring Creek, East Mine and the company reorganization) at the same time and as soon as possible. We consider the latest we can leave this now is Wednesday 29 August, the day following the next schedule board meeting. Our reasons are as follows,

- It has only been possible to work on these major changes at East, Spring Creek and Stockton by utilising some key people from those mines, along with a number of people in Christchurch. As a result the likely options are already well understood by many people. Staff tension is extreme across the company, particularly in Christchurch (where staff are on notice there will be a major restructuring) and Spring Creek but also in Huntly.
- To hit the financial results announcement next Friday, which is at the very limit of the Closure Disclosure guidelines, we need to have previously made all the management announcements. Having the two merged, or not to mention the changes until after the results, is undesirable.
- On the basis that 'structure follows strategy' the announcement of the proposed reorganization, which will be substantial in its impact on Christchurch staff in particular, requires the context of the changes proposed for operating sites involved to be satisfactorily explained to the staff. We have already delayed announcement the restructuring proposal twice in order to complete the mine analysis and decision making and now need to give the staff a clear indication tomorrow that they will have our proposal on Wednesday next.

3. Consequently we hope the shareholders review of Spring Creek can be finished by Wednesday next . If it is not we will have to exclude the Spring Creek announcement from the announcement on that day, and would therefore need to say something like the following to staff: *... context and intro on Spring Creek ... management has made a recommendation to the Board ... this is a major shareholder consultation item ... the shareholder is currently carrying out this review ... we expect to make a further announcement this/next week.*

Appreciate your feedback.

Regards

Bill

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