

The Treasury

Solid Energy Information Release

May 2013

Release Document

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- [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
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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: Wednesday, 5 September 2012 2:19 p.m.
To: larry.hull@solidenergy.co.nz
Cc: Brian McCulloch; Chris White
Subject: Spring Creek - next steps

Hi Larry

I think the fundamental questions we are asking are

1. Is there a way of operating the Spring Creek mine that would result in a higher NPV than Solid's current business plan ?

Clearly, this is not about price assumptions but about alternative mining strategies, different production or productivity assumptions, etc.

2. If so, would Solid be able to operate in this manner, and would it change the current decision to put the mine on Care & Maintenance.
3. If Solid could not operate in this manner, what is the current likelihood of selling to a new owner who could obtain this higher value, and how long would such a sale process be expected to take.

As discussed yesterday, we would be happy to have you personally plus an external expert provide answers to the above. From our perspective, it would be important to have an expert who was familiar with the mine and/or West Coast geology and who had expertise in mine evaluation and economics. We would be happy to use any of Colin Donegal, John McIntyre, or Bernie McKinnon for such an exercise. If neither of these are suitable or available, we can work with you to look for other expertise. I will send details for Colin and John through by separate email.

We would hope that we could complete the above relatively quickly, and would expect you to be able to draw on previous work the company had undertaken. We are keen to have some oversight of how the work is progressing but do not wish to get in the way. Interested in your views on how best we achieve this.

Please call to discuss if required

Cheers

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