

The Treasury

Solid Energy Information Release

May 2013

Release Document

www.treasury.govt.nz/publications/information-releases/solidenergy

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
- [6] 9(2)(j) - to protect the commercial position of the person who supplied the information, or who is the subject of the information; to enable the Crown to carry out commercial activities without disadvantage or prejudice; and to enable the Crown to negotiate without disadvantage or prejudice
- [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: Wednesday, 22 August 2012 3:59 p.m.
To: ^SOLID: John PALMER
Cc: ^SOLID: Don Elder; ^SOLID: Bill Luff; ^AssocMoF: [4] ^MOF: Andrew Craig
Subject: Letter to John Palmer, Solid Energy re Crown Advisor 22_08_2012.PDF
Attachments: Letter to John Palmer, Solid Energy re Crown Advisor 22_08_2012.PDF

John

Attached is a soft copy of letter. The original will be posted tonight.

Bill – I will be in touch later today

Regards

John Crawford | Deputy Secretary, Commercial Transactions | **The Treasury**

Tel: +64 4 917 6251 [1]

] John.Crawford@treasury.govt.nz

CONFIDENTIALITY NOTICE

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:

- a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);
- b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

SE-1-3-5



22 August 2012

John Palmer
Chair
Solid Energy New Zealand Limited
PO Box 1303
CHRISTCHURCH 8140

Dear John

Following our earlier discussions, I am writing to confirm my understanding of what will be undertaken to provide assurance to both shareholders and the incoming Chair of Solid Energy of the strategic decision you are looking to make regarding the Spring Creek Mine.

Shareholders wish to obtain independent assurance of the decision the Board is contemplating around the Spring Creek mine given:

- a. The change in the position of the company over the past few months.
- b. The substantial impact a potential process to put the mine on "care and maintenance" would have on both the company and the community.
- c. The size of the impairment that this decision would incur.

Shareholders appreciate that the Board is consulting with them on a matter of such strategic importance to the company, and as part of this consultation, shareholders wish to seek third party advice.

As a consequence, shareholding Ministers have asked Treasury to appoint a third party advisor to review the background Board papers and discussions concerning Spring Creek to assure themselves that:

- a. The information provided to the Board is sufficient given the nature and consequences of the decision.
- b. All reasonable options on the future of the mine have been provided to the Board.

We understand that the Board will ensure the advisor will have reasonable access to management should he have any queries or need for discussion or further information.

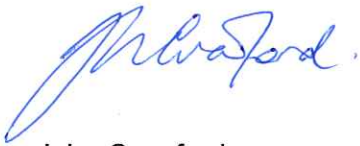
Shareholders also wish to have the incoming Chair indicate his comfort with the information and analysis contained within the paper given the proximity of his appointment.

1 The Terrace
PO Box 3724
Wellington 6140
New Zealand
tel. 64-4-472 2733
fax. 64-4-473 0982
www.treasury.govt.nz

We do not expect this assurance will take very long, and would expect to appoint an advisor today. Our expectation is that we would complete all parts of this process by the end of next week at the latest, and recognise that any delay caused by this process is of concern to the Board and the company, given other decisions they are undertaking. In this respect, we will look to complete the process at the earliest possible opportunity.

We accept that there may be some cost to the company associated with this delay, which all parties will seek to minimise.

Kind regards

A handwritten signature in blue ink, appearing to read 'John Crawford', with a stylized, cursive script.

John Crawford
Deputy Secretary – Commercial Transactions