



Centennial Coal

Thank you Commissioners for the opportunity to present on this important project and project enabling Modifications.

I am Centennial Coal's CEO and Managing Director. This is a position I have held since May 1st. Good environmental outcomes are a key vision that I have already discussed with all management teams across the Company. I can only see this Project as a 'good environmental outcome'.

Prior to my current role I have been associated with Springvale's operations since 2012 and have lived in the Lithgow Community. I have a strong affinity and respect for this Region and the people in it. The resilience; spirit of community; hard work and 'can do' attitude of the people of Lithgow and the Region is something to be admired. Projects of this nature, as subject of this meeting, only add value to this social fabric, the economy and the environment.

We are a good corporate citizen and a proud member of the Lithgow community. We haven't however got it right on every occasion. I can only repeat Centennial's true regret and remorse for an environmental incident that occurred at our Clarence Operation of which we recently entered a guilty plea in the Land and Environment Court. We undertook all actions to undertake the clean up and prevent a recurrence.

So, it is very pleasing today that a positive environmental story and Project, that we are part of, can be discussed at the meeting.

The subject of today's PAC meeting, are projects critical for Springvale Mine's future. The Springvale Water Treatment Project, a State Significant Development, and the two Modifications are intrinsically linked and support the SWTP.

When securing Springvale's planning consent in late 2015 we committed to significantly improve the quality of water discharged and this commitment was incorporated into the conditions of consent.

Consistent with this commitment Centennial and Energy Australia (EA) are proposing to build a water treatment facility which will result in Springvale bettering the water quality compliance conditions we committed to and are required to deliver by our consent.

Importantly, this Project underpins the future operations of our Springvale Mine and Mt Piper Power Station, therefore securing over 600 local jobs and providing energy security for 15% of NSW's energy needs.

Springvale Water Treatment Project (SWTP): (State Significant Development SSD)

A water treatment facility which will deliver a 'win win'.

The Project consists of a pipeline and water treatment plant using the water currently discharged from Springvale Mine and redirecting it to the water treatment facility located at EA's Mount Piper Power Station where it will be treated and utilised for power station cooling, this significantly reduces the need for MPPS to draw water from the natural environmental flows.

The Project involves developing:

- a system to transfer mine water from the Gravity Tank compound on the Newnes Plateau to the water treatment facility; and
- facilities to treat the mine water for use at MPPS
- a system to transfer any excess treated water to Thompsons Creek Reservoir and residuals to the Springvale's Western Coal Services Site.

The project will transfer, via a dedicated pipeline, up to 42 million litres of water daily from Springvale and includes capacity to cater for any future water from Angus Place mine.

This Project represents a \$100million investment.

The two Modifications are intrinsically linked to the Water Treatment Project.

Springvale Modification 2 (SV Mod 2)

This Modification removes the requirement, currently in Springvale's consent (Schedule 4 Condition 12), to meet certain water quality requirements by June 2017.

Essentially, this condition in Springvale's consent predates the commitment by us and EA to build a water treatment facility and its construction will improve upon the water quality compliance conditions as required by the consent and in so, is an improved outcome. This is a 'beyond compliance' Project. Difficulties in obtaining approvals, designing a first class facility and complex commercial negotiations have identified the need for this modification. However, as has been explained, the final outcome is of the greatest benefit.

Western Coal Services 1 (WCS Mod 1)

This modifies WCS's consent to address operational interactions with the proposed SWTP, by allowing WCS to receive residuals from the water treatment plant and is a necessary component of its efficient operation.

Without this Project there will be no Springvale Mine and no coal for Mt Piper Power Station. This projects provides not only much needed security for our business and as importantly security of employment for our people.

For eight weeks in 2015 Springvale was idle, with workers stood down, waiting to secure the necessary state and federal approvals required for us to extract longwall 418. This was a traumatic time for many people and still in the forefront of memories, uncertainty now prevails across approvals processes and this is an unfortunate product of the process. As the Commission can see by attendance today, there is a great deal of support and interest for this Project, real people, real concerns, real community.

Late last year we surveyed our people to better understand the impact of this stand down on them, their families and the community. Over 12 months after resuming operations it was still evident our people feel insecure about their jobs and more broadly the mining industry. Our

people are intrinsically linked to their community and the impacts were also felt by the business community.

Each time we go through a process like this it exposes our people to further stress and insecurity. We want operational certainty and more importantly our people and the broader community need this certainty.

Centennial is the largest employer in the area and our people live locally. We understand the significant role we play in the community and the economic contribution of our operations. We do not take our social licence to operate for granted. We do not take the support we have in this wonderful community for granted. Respect is something that can only be earned and we believe we work hard to ensure we are an excellent employer and an active and engaged member of the community.

Whilst this Project is complex and challenging it represents the only way we can deliver the outcomes expected by Government. We have been working since receiving our Springvale Approval in late 2015 to ensure we comply with our obligations and this Project is the result of the two largest employers in this community realising our future lies in cooperation which in turn delivers a mutually beneficial outcome – business certainty, employment and energy security.

Commissioners today your will hear from passionate and proud members of this generous community, thank you for listening and considering the important people component to assessing this Project. And we support the Dpt of Planning's recommendations and conditions surrounding this Application. Thank you.