

BHP Billiton Legal

11 December 2007

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General Manager Adjudication Branch Australian Competition & Consumer Commission 23 Marcus Clarke Street Canberra ACT 2601

Attention: Scott Gregson

BY EMAIL

Dear Mr Gregson

Newcastle Port Corporation – Port of Newcastle – Authorisation Application A91072 – A91074 - Interested Party Consultation

We refer to your letter dated 4 December 2007 in relation to the application by the Newcastle Port Corporation (NPC) for interim authorisation to allow the proposed system (as detailed in NPC's application) to address the imbalance between the demand for coal loading services at the Port of Newcastle and the capacity of the Hunter Valley coal chain in 2008.

In principle, Hunter Valley Energy Coal Pty Ltd (HVEC) supports a whole of system capacity allocation approach. However we consider that the best approach to addressing capacity issues is to move quickly to expand rail and coal loading capacity and therefore HVEC is generally opposed to capacity allocation systems.

As contemplated in your letter, we would like to be informed of the progress of the above authorisation application at the interim and final determination stages. The relevant contact for such information is:

Mr Peter O'Grady General Manager Marketing Operations – Energy Coal - Australia peter.p.ogrady@bhpbilliton.com

Yours sincerely

Eduard Haegel

Chief Operating Officer - Mt Arthur Coal

Copy: Peter O'Grady