Chubb, Sarah

Subject: RE: Coal Chain Allocation for 2008

Categories: SEC=UNCLASSIFIED

From: Peter Wilkinson

Sent: Tuesday, 18 December 2007 8:27 AM

To: Gary Webb

Cc: Gregson, Scott; Ian Stocks

Subject: RE: Coal Chain Allocation for 2008

Gary,

This is to confirm our discussions of yesterday that Idemitsu supports a CBS as put forward by the Newcastle Port Corporation and as outlined below. We have also put in a submission to the ACCC supporting this CBS.

Regards, Peter Wilkinson General Manager Muswellbrook Coal Company Limited

From: Gary Webb

Sent: Monday, 17 December 2007 4:49 PM

Cc: scott.gregson@accc.gov.au

Subject: RE: Coal Chain Allocation for 2008

Dear Everyone

Thank you for your feedback today. Graham and I were not able to connect with four producers. As requested by some, below is the question posed by me:

I am calling on behalf of the NSW Government.

Do you support a CBS for the first 6 months of 2008? bearing in mind that it will involve:

the existing 2008 demand nominations:

- a call for the first quarterly or monthly demand nominations by 31 December 2007;
 be subject to the ACCC granting the authorisation to the current NPC application;
- Producers will agree to waive any PWCS non compliance with the Coal Handling Services
 Agreement with the particular producer arising out of the implementation of this CBS; and
 PWCS agreeing to implement the CBS.

Since returning to the office, I have been informed that the ACCC are supportive of the ring around by PWCS and NPC and are interested in the producer's response.

The ACCC has requested that producers advise Scott Gregson of the ACCC directly (at the email address above) of their response to the NSW Government's question, in order to assist their decision making process on the current NPC application.

As discussed, given some of the timing issues, your prompt response is needed.

Regards

Gary Webb

Newcastle Port Corporation