



**Treasurer
Minister for
Industrial Relations**

Reference: P14/1986

Mayor Peter Shinton
Warrumbungle Shire Council
PO Box 191
COONABARAN NSW 2357

Dear Mayor Shinton

I write to update you following the letter I sent on 16 October 2014 to Mr Steve Loane, General Manager, Warrumbungle Shire Council (WSC).

I wish to confirm that the Government will continue to consider a range of options for the Cobbora Coal Mine following initial market soundings for the project.

While a number of potential bidders were involved in the initial market soundings, the Government has not yet secured a satisfactory purchaser for the Cobbora project.

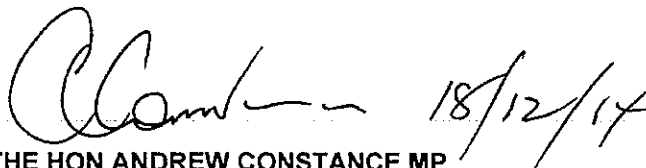
Further analysis of future coal prices and market conditions will be undertaken before the Government makes a decision regarding the future of Cobbora Holding Company Pty Limited (CHC) and development of the mine.

Whilst CHC remains available for further discussions to enter into a Voluntary Planning Agreement (VPA) with WSC, it is not however in a position to conclude a VPA with WSC unless development of the Cobbora Coal Project appears probable. The probability of development will be assessed after the Government has considered a range of options as noted above.

As you would be aware the Government has addressed the uncertainty of the Cobbora project proceeding, though the implementation of the Cobbora Transition Fund, of which WSC has been the greatest beneficiary.

Thank you for your understanding in this matter.

Yours sincerely



18/12/14

THE HON ANDREW CONSTANCE MP

cc: steve.loane@warrumbungle.nsw.gov.au