



## Office of Hon Simon Power

MP for Rangitikei

Minister of Justice

Minister for State Owned Enterprises

Minister of Commerce

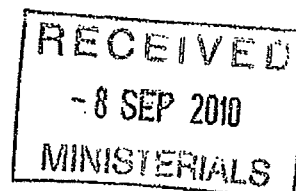
Minister Responsible for the Law Commission

Associate Minister of Finance

Deputy Leader of the House

08 SEP 2010

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



Dear Mr Palmer

### National Resource Company (NRC) Proposal

I would like to thank you and your Chief Executive, Don Elder, for meeting me on 31 August 2010 to discuss the Government's response to the Solid Energy Limited (Solid Energy) NRC proposal.

Ministers are encouraged by the vision of Solid Energy in developing the NRC proposal. We also appreciate the efforts of the Solid Energy Board, management and staff that have gone into preparing the proposal.

Shareholding Ministers have carefully considered the proposal and at this stage do not support the development of a single NRC to maximise the value of New Zealand mineral resources.

Shareholding Ministers are, however, supportive of Solid Energy developing its current natural resources, including lignite and unconventional gas. As discussed with you, we expect that Solid Energy will develop resources on a project by project basis.

We also expect to be consulted on significant projects, and have the opportunity to discuss the proposals with you. The proposals should be supported by a business case and assessed against standard business case investment criteria.

Yours sincerely

Hon Simon Power  
Minister for State Owned Enterprises

cc: Don Elder, Chief Executive Officer, Solid Energy