

Adani's Indonesian mine?---Yeah.

Do you know how big that is?---It's quite small, yes.

5 Do you know how it's going?---No.

No, all right. I'm going to suggest not well, but you don't know, so - - -?---All right.

10 - - - that's fine. Minister Goyal has continued, in fact, as recently as a couple of weeks ago – you'd have been following the news, I suspect?---Yeah. Minister Goyal has, and he's also talked of 100 gigawatts of renewables too. But it's – as with the coal market, it's not clear the investment's going to come from for that without a subsidy.

15 No. I guess my point is this: if I was saying that imported thermal coal to India was going to stop within two to three years, if I was making those sorts of statements no one would listen and it wouldn't make any difference to the risk of the project at all. But when the energy minister of India is saying them and repeatedly saying them, doesn't that at least give you some cause to pause and think about the risks
20 associated with reliance in terms of this project on India as a source – as a source for one's coal?---Can I suggest this is an extremely risky project? **I mean, everybody knows that, I admit that.** In the whole spectrum of the risks of this project, I would – I would shutting off imports to India lower down the list than others.

25 What would be the higher risks?---Market risk price, things like that.

I'm sorry?---Market risk price.

30 Okay. So the – I just want to get a scale of risk – so the unavailability of the primary market or one of the primary markets is a – from your perspective, when you think about the risks associated with this project is, as I understand what you're saying, a comparatively lower-order risk?---Yes, because this – this project won't – won't, sort of, go to final approval or financial close unless it has a – a – a reasonable list of foundation customers in there, locked in in the end, and, currently, we seem to have
35 MOUs.

With letters of intent, I think, we've been told?---Yeah. Well, it's – well, it's early yet. You can hardly go further than that - - -

40 I was just correcting the language, that's all?--- - - - when we are still in the approvals process.

In any event, a very risky project?---**It's a risky project, yes.**

45 The risk is of – the risk is – I guess there are two kinds of risk, aren't there: there's the risk of not getting finance and all and therefore not proceeding, and then there's the risk – the market risk and the price risk that it'll fail some time through its

life?---Mr Holt, any – any resources project with a capital requirement of \$15 billion and have a payback period way out is a high risk.

5 I get that, but let's talk about this project in the Galilee Basin. The IEA themselves, don't they, reference the Galilee Basin and the significant headwinds against development in the Galilee Basin?---Yes, whereas a – some of – some of BREE mentions Carmichael coming on stream later in this decade, and adding significantly to our coal exports. I mean, there's – there's a range of views, yes.

10 Yeah. But this is in itself, the Galilee, and this is in particular is a high-risk project?---It's a risky project.

Particularly given price of coal at present and what's happened to it?---Yes, but then we just – we just don't know what this project's costs of production are. I mean - - -

15 You don't know?---I don't know, you don't know. May I submit Mr – Mr Buckley doesn't know - - -

20 He'll explain the basis of the view?--- - - - and the court – and the court doesn't know. The only people that actually know – and even they can't be certain of it, because it could change – are the applicants, and - - -

And we were very enlightened - - -?--- - - - fact of life - - -

25 - - - by Mr Gupta's evidence about financial – about costs and prices and so on. Did you read his transcript of his evidence?---I did read his – his evidence, yes, and – and there's – and there's – there's – there's no obligation on the company to – not to be – called, I believe – though I'm not questioning the court's jurisdiction – on the true costs of production of this mine, because that's very commercially sensitive

30 information.

It's commercial sensitivity, but let's also look at it in this way, Mr Stamford: in your report – and I understand that you noted at the outset of your evidence that you understand that it is part of the court's function at least to inquire as to - - -?---I do, I

35 do.

- - - questions of viability?---Absolutely.

40 But let's take your report at face value. You talk, essentially, about this being private risk. It's private risk-taking by a company that will make its own investment decision?---I do.

45 Yeah?---But that is, you know, subject – subject to the – the fact that there are, obviously, some environmental issues with – with any mine as soon as you dig holes in the – in the ground. There are.