

REF: DSV4min5004

10 July 1995

Mr Ian A Derham  
 General Manager Mining Operations  
 Hazelwood Power Corporation  
 P O Box 195  
**MORWELL Vic 3840**

Dear Mr Derham

**Work Plan and Rehabilitation Bond - Mining Licence 5004, Morwell Mine**

Thankyou for your Work Plan submission for the Morwell mine. The Work Plan is satisfactory.

At our recent meetings we discussed the need for a rehabilitation bond for the site. It was stated at that time that the department would consider establishment of a bond to cover only the cost of the "end of life" rehabilitation works at the mine on the proviso that the progressive rehabilitation programme was documented and continued at the maximum possible rate.

The Department has not yet come to a decision on this but our consideration of the matter would be assisted by your submission of the following information.

- (i) An estimate of rehabilitation costs for ongoing progressive rehabilitation and final rehabilitation at present day values. The estimate should show how the costs were estimated, assumptions that were made and include a detailed break down for areas and types of work.
- (ii) An estimate of current rehabilitation liabilities.

As these matters are not yet resolved we propose to set the rehabilitation bond for the Morwell mine at \$15million. This should be regarded as an interim figure until such time as we have assessed whatever additional information you are able to provide on the above matters.

Should you wish to discuss these matters please call Doug Sceney on 03 9412 7972.

Yours Sincerely



Ken Gardner  
General Manager Resources Operations