



Department of Primary Industries

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Ms C Davies
 Yallourn Energy Pty Ltd
 PO Box 444
 MOE VIC 3825

*→ Bond assessment under
 "Bond Review 2003/2004" hanger.*

Dear Ms Davies

MINING LICENCE 5003
SECTION 80(4) OF THE MINERAL RESOURCES DEVELOPMENT ACT 1990

Following a review of the rehabilitation bond for the above mining licence the bond has been reduced by \$3,630,500 to \$11,460,500.

As discussed at our recent meeting the rehabilitation bond review was carried out in accordance with the Department's guidelines. However, the contingency allowance is 20% rather than 10%, which usually applies. The Department's view is that a higher contingency allowance is required to cover uncertainties relating to the final rehabilitation of the site. The Minister's EES Assessment Report of 2001 identified the need for further research, in particular in hydrology, to address this uncertainty. Further research into final landforms and hydrology is also a condition of MIN5003.

A contingency of 20% has been applied based on the need for additional face battering, topsoiling and revegetation should a lake water level of RL38 not be achievable over a reasonable period. The current calculated cost of these activities is over \$3 million. This could increase several fold if a RL38 water level and is not achievable.

The Department will be happy to initiate another rehabilitation bond review and to reduce the contingency allowance once the research has been undertaken and the uncertainties related to final rehabilitation are resolved.

A revised bond is required in the form of a bank guarantee. The Department's policy on the form of the bank guarantees is attached. Arrangements for the exchange of the existing bank guarantee can be made with Joanne Wood, Client Service Officer, Traralgon Office on 5172 2128.

Yours sincerely

PHIL ROBERTS
 Director Minerals and Petroleum Regulation
 Delegate of the Minister
 Date:.....30/7/2004.....

Encl.
 Bond Advice Form



Minerals & Petroleum Victoria

BOND RELEASE ASSESSMENT

ASSESSING OFFICER: Roger Dawson		CS): PM ^{initials}
LICENCE: MIN 5003 WORK AUTHORITY:	LICENSEE: Yallourn Energy Pty Ltd	
MUNICIPALITY: Latrobe CURRENT BOND: \$15 091 000	LOCATION: Moe	RECOMMENDATION:
	FULL BOND RELEASE: \$ 3,539,500 or PARTIAL BOND RELEASE: \$ 4,585,500 3,630,500	
LAND STATUS: PRIVATE & CROWN		
<i>CONSULTATION WITH:</i>	<i>DATES & OUTCOMES:</i>	
For WAs and MINs on Crown land and ELs where required: CROWN LAND MANAGER Name: DSE Traralgon	1st consultation date: 13/10/03 - consultation letter sent. Outcome: No response received by 12/11/03.	
For all WAs or MINs on Private Land: MUNICIPAL COUNCIL Name: Latrobe City	1st consultation date: 13/10/03 - consultation letter sent. Outcome: No response received by 12/11/03.	
For all WAs or MINs on Private Land: LAND OWNER Name: Yallourn Energy Pty Ltd	<p>Preliminary</p> <p>1) 08/10/2002 – YE advised of bond review in writing with supporting material. MPR requests documentation. Supplied 14/11/02.</p> <p>2) 20-21/11/02 – MPR undertakes bond review. Further information requested. Information supplied by YE on 29/11/02.</p> <p>Consultation:</p> <p>1st consultation date: 08/04/2003; Draft (#1) bond review calculations mailed to Yallourn Energy after review by CSO (PM). Outcome: Consultation meeting arranged for late April.</p> <p>2nd consultation date: 28/05/2003; consultation meeting held with Catherine Davis (Yallourn Energy). Yallourn requests revision of 'time to fill' due to bulk water entitlement Outcome: MPR to review 2 items (water allocation/time to flood and batter stability studies).</p> <p>3rd consultation date: 14/08/2003; meeting with Ray French, Catherine Davis and Kevin Brown. MPR provides undated draft copy (#4) of bond review calculations. Yallourn unaware of its commitments to provide a lake system inter-connected with the local river system. MPR requires Yallourn to cost of inter-connection for bond review purposes. Outcome: Additional information due end of August.</p> <p>4th consultation date: 23/09/03 and 24/09/03; telephone conversations with Ray French and C.Davis. MPR advised that the formal bond consultation period was to begin. From issue, the Company has 28 days in which to comment. Outcome: Mr French and Ms Davis agreed to the issue of the bond recommendation at \$11 836 500.</p> <p>06/10/03; Yallourn E. submits additional information (GHD report) re costing for lake inter-connection. Bond revised to \$10 505 500 (draft #5) based on information supplied and discussions with GHD.</p> <p>13/10/03; MPR issues written notification of bond assessment. Outcome: No response received by 12/11/03.</p>	
GEDIS Bond Review / release recorded? (Screen MT756)	<input type="checkbox"/> YES	

- I have carried out the consultations as described, and have attached all documentation to this form

Minerals & Petroleum Victoria

Roger Dawson Date: 01/12/03
Signed and dated by Assessing Officer

- I have checked the above and concur with the bond release recommendation (Amounts over \$10,000)

[Signature] Date: 28/7/04
Signed and dated by Operations Team Leader or Environmental Manager

- I approve the bond release recommendation

[Signature] Date: 29/7/04
Signed by Doug Seeney, Manager Minerals and Petroleum Regulation
Delegate of the Minister
Pr. J. Roberts Director

Bond Release --> SAO