



Department of Economic Development,
Jobs, Transport & Resources

Ref: MIN5189

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Doug Jackson
Chief Operating Officer
AGL Energy Limited
PO Box 1799
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Dear Mr Jackson

REVIEW OF REHABILITATION BOND – MIN5189 (LOY YANG)

As you are aware the rehabilitation bond for the Loy Yang mine was last reviewed in 2002. Since then considerable mining activity has occurred and the rehabilitation plan is being revised. Consequently it is now appropriate for me to review the rehabilitation bond held for Mining Licence 5189 ('the bond'). I have engaged URS Australia Pty Ltd to assess the rehabilitation liability of the Loy Yang mine. That assessment will be used as a basis for reviewing the bond.

I would like to meet with you in July to discuss the URS Australia rehabilitation liability assessment and then, if required, consider with you timing options to put into place appropriate financial cover for the rehabilitation liability of the Loy Yang mine.

If, as the Minister's delegate, I am of the opinion that the amount of the current bond is insufficient, then I will act in accordance with the *Mineral Resources (Sustainable Development) Act 1990* to require you to enter into a further bond. This will be done via a written notice requiring you to enter into a further bond within 28 days of service of the notice or later date specified in the notice and for an amount determined by me.

I look forward to working with you to ensure that the Loy Yang mine has the appropriate rehabilitation bond(s) in place.

Yours sincerely

Ross McGowan
Executive Director, Earth Resources Regulation

3 16 1 2015

cc: Steve Rieniets