



Department of Economic Development, Jobs, Transport & Resources

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18 June 2015

Mr. N. Browne
Head of Mining
AGL Loy Yang Pty Ltd
PO Box 1799
Traralgon VIC 3844

Dear Nigel

ESTIMATION OF REHABILITATION LIABILITIES – Loy Yang Mine MIN5189

I am writing as a follow up to correspondence from Earth Resources Regulation's Executive Director Ross McGowan dated 3 June 2015 regarding the rehabilitation liability estimate project that includes your mine.

The assessment of the liability and the measures required to rehabilitate your mine site in accordance with the approved rehabilitation plan have highlighted considerable uncertainties surrounding the current operational footprint of the mine. As a result, the preliminary liability estimate incorporates a level of uncertainty and subsequently a level of fiscal conservatism that may not be fully warranted.

We have identified some specific data that should assist us in reducing this level of uncertainty. The attached table shows the data that would be of assistance in determining a more accurate appraisal of your current rehabilitation liability.

Should you choose to provide this information, it would be appreciated if it you could return it to me by next Tuesday, 23 June 2015.

Please be advised that it is the Department's intention to provide a copy of the draft rehabilitation liability findings to you. You will also have the opportunity to provide further input or comment on the draft findings prior to their finalisation .

If you require any information on this issue please do not hesitate to contact me on (03) 5160 9011 or 0429 400 569.

Yours sincerely

Anne Bignell
Manager Operations, Gippsland
Earth Resources Regulation