

5th June 2012



Ms Anne Bignell
Manager Minerals and Extractive Operations, Gippsland
Earth Resources Regulation
Department of Primary Industries
55 Grey Street
Traralgon, Victoria 3844

TRUenergy Yallourn Pty Ltd
ABN 47 065 325 224
Eastern Road
Yallourn Victoria 3825
PO Box 444 Moe Victoria 3825
Telephone +61 3 5128 2000
Facsimile +61 3 5128 2200
www.truenergy.com.au

Dear Anne

WORKPLAN VARIATION CONDITIONS

In response to the DPI's MIN 5003 Work Plan Variation Condition No. 7 regarding the review of Yallourn Mine's Rehabilitation Plan in relation to the feasibility of the flooded mine scenario versus other alternative rehabilitation options, please find attached a report detailing our review findings.

TRUenergy Yallourn took the opportunity to brief our ERC on the 23rd May 2012 on our progress in responding to all of the DPI's Work Plan Variation conditions including Condition No. 7. This briefing to the ERC provided the current status of the review and also discussed the advantages of the flooded mine rehabilitation option as compared to the non-flooded option including stability and associated risks.

I trust that the attached information meets the DPI's requirements.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Mether', with a long horizontal line extending to the right.

Ron Mether
MANAGER MINING
TRUENERGY YALLOURN

Ph: 03 51 28 2353
Mob: 0418 567 284
Att.