



2 February 2005

Yalourn Energy Pty Ltd
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Dear Greg

RE: MORWELL RIVER DIVERSION PROJECT AND WORKPLAN UPDATE

As outlined in my email on the 22 December 2004 following our meeting on the 17 December please find attached the following:

- A revised Morwell River Diversion program (simple language - no abbreviations) showing:
 - Morwell River Diversion program (specific works requiring sign off)
 - Morwell West drain temporary diversion program (specific works requiring sign off)
 - Permanent Morwell West drain solution concept program clearly separate from the points above.
- Morwell West Drain – a description of the works outlining the reasons behind the decision to have a temporary Morwell West drain diversion and a permanent solution at a later stage.
- A description of the works post the temporary Morwell West drain diversion to complete the project.
- An updated "Work Plan" including staged drawings by year and dot points of activities to be undertaken until the Morwell West Drain final version is constructed. Plans include the realignment of the batters along Latrobe Road with the removal of the Morwell Hill Climb track and an outline of the mining licence in relation to the final batters.
- Operations and maintenance manuals cover and content pages – (document is around 60% complete and a deliverable within the MRD Contract).
- A draft sign off documents.

It is anticipated we will be able to provide an Engineering Certificate, Peer Review sign-off and West Gippsland Catchment Management Authority sign-off (for both the Morwell River Diversion and temporary alignment of the Morwell West drain) by April 2005 when DPIs written "Approval to Divert" will be required.

Please don't hesitate to contact me by phone on 51 28 2353 or mobile 0418 567 284 for further information or clarification.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ron Mether", with a long horizontal stroke extending to the right.

Ron Mether
YALLOURN ENERGY MINE MANAGER



Yalourn Energy is a support sponsor of the Victorian Institute of Sport