



RYE PARK WIND FARM Project Update - June 2010

INTRODUCTION

WELCOME to the Rye Park Wind Farm Project Update. This newsletter is designed to provide a summary of the activities underway to further plan and develop this very exciting project.

In this newsletter we provide an update on the analysis of the wind resource, the progress with the grid connection, some feed-back from the ecology studies and an update on renewable energy policy.

PROJECT AREA

The Rye Park project area is located across the Boorowa LGA, Upper Lachlan Shire LGA and the Yass Valley LGA, near the township of Rye Park and north east of Yass.

The site comprises a long ridgeline running north-south, where it is expected the turbines could be located. This ridge is at right angles to the prevailing wind directions, which are predominantly the east and west (see Wind Frequency Rose below).

Approximately 40 local landowners have agreed to explore the feasibility of the proposal. This site is fairly large and could potentially accommodate over 100 wind turbines.



KEY FACTS

Why is this an excellent project?

- Good wind speeds quantified resource
- Generally cleared agricultural land
- Access to the high capacity transmission network
- Close to an area with high electrical demand / load (Sydney Basin)
- Relatively large site good fit with renewable energy policy
- Close to centres with industry capability
- Positive landowner and community support

This project will be a state significant renewable energy facility and investment.

WIND MONITORING

Epuron has operated three wind monitoring masts on site for over a year and across all seasons. The masts make a continuous record of wind speed and direction, and temperature and pressure of the air. This data is transmitted each night back to our North Sydney office. The on-site data has been correlated to Epuron's many long term data sets in the Yass area to establish long term predicted wind speed and direction. This information has been used to develop optimised wind turbine layouts that will maximise the energy generation from the project.

This weather data is extremely important to our understanding of the wind profile and the feasibility of a wind farm project. The good news is that the wind analysis confirms that the wind speeds at the site are good and the wind resource meets the thresholds required for progressing the development of the project.

Epuron will now refine the location of wind monitoring masts based on this information. Some of the masts may be relocated where they have fulfilled their purpose, rest assured that removal of a mast from any one area does not mean any loss of interest in developing wind in that area! We will keep you posted and work with you if any of this involves your property.

PROJECT PLANNING

Over the last few months our team of wind specialists and engineers have been refining the layout to optimise the energy yield and design a constructible site.

In addition to collecting wind data we have started to prepare for the process of gaining planning approval for the project. Epuron has already successfully carried out this process several times in NSW over the last 7 years, gaining approval for over 700 wind turbines.



In developing the most appropriate project design, it is important to take into consideration: terrain, accessibility, the electrical layout and design, ensuring amenity impacts (such as visual and noise impacts) are minimised, and ensuring biodiversity impacts (especially endangered ecological communities) are also minimised.

GRID CONNECTION

Epuron has completed its assessment of the most suitable grid connection options. This has been in conjunction with working through the physical layout of the site, as it all needs to work together. A technical feasibility study undertaken by Epuron's electrical engineering consultants has analysed the merits of each option.

Epuron is now progressing two connection options, one into the 132kV transmission line west of the site and another connection into the 330kV transmission line south of the site. Both options present excellent technical solutions to export the potential generation from the site with minimal electrical losses.

Epuron has now begun discussing the route options with potentially affected landowners. This landowner consultation is an important part of the process to understand specific issues and concerns and to finalising the power line route.

Our objective is to develop the very best project that we can considering all of the technical, environmental and social issues.



ECOLOGICAL STUDIES

Our environmental consultant has already completed a preliminary assessment and undertaken mapping of biodiversity in the project area to assist with our overall development plan.

In general the feedback has confirmed it is a good site from an ecological perspective. While there are some sensitive areas we will need to manage, there is adequate space to locate infrastructure including turbines, access roads and transmission lines.

The studies identified some native vegetation communities, such as Yellow Box or White Box Woodland, that require careful management. Epuron

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EPURON Pty Ltd Level 11, 75 Miller St, North Sydney NSW 2060 has successfully managed similar issues on previous projects in NSW.

The next step is to get our consultants back on the site to complete their assessment of the specific areas where we would be looking at installing turbines, electrical connections and access tracks. The critical time for the flora and fauna studies is spring, so we are working towards kicking off this assessment to be completed this spring.

INDUSTRY NEWS

Renewable Energy Target (RET)

In August 2009 legislation to expand the Renewable Energy Target was passed by Federal Parliament. This means that 20% of Australia's electricity will come from renewable sources by 2020 enabling wind farms around Australia to sell clean electricity into the electricity market.

In February 2010, the Hon. Penny Wong announced further amendments to the RET legislation that provides separate targets for small/domestic renewable energy and large scale projects such as our wind farms. This is another very positive step for the establishment of new large clean energy projects, and we expect this legislation to be passed in June 2010.

If you follow current affairs you will have seen that the Government has delayed the introduction of an Emissions Trading Scheme (ETS). While this is disappointing from an environmental and climate change policy perspective, the development and delivery of the Rye Park Wind Farm is primarily driven by the RET.

NEXT STEPS

The current key activities underway include:

- Refining the wind monitoring program and relocating monitoring towers to suit;
- Finalising biodiversity surveys in Spring;
- Negotiating transmission line access corridors with affected landowners;
- Finalising site layouts taking into account these inputs as well as amenity impacts
- Engaging specialist consultants to commence studies for the Environmental Assessment

Over the coming months Epuron will lodge a project application for the project prior to completing the full environmental assessment on the site. We will update you again in due course.

Epuron would like to thank the many local landholders who have provided, and continue to provide their support and commitment to this exciting project.