LIVERPOOL RANGE WIND FARM

Project Update No. 2 - May 2010

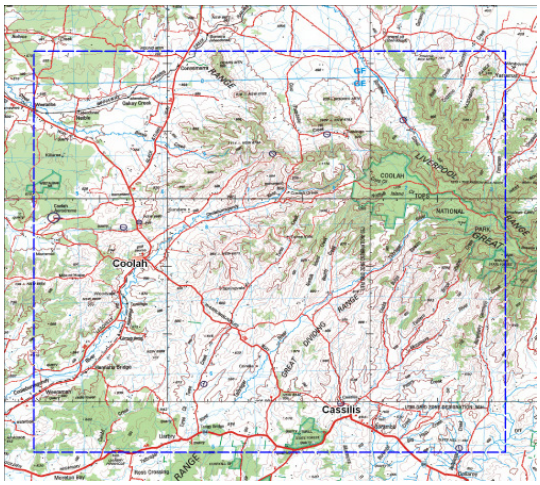
INTRODUCTION

WELCOME to the Liverpool Range Wind Farm Project Update. This second newsletter provides a summary of the activities underway to further plan and develop this very exciting proposal.

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 Liverpool Range Project (LVP) area is located in the Warrumbungle and Upper Hunter Shires, nearby to the townships of Coolah and Cassilis, 50 km North of Dunedoo.



Liverpool Ranges Proposed Project Area

The site comprises a series of ridgelines running NE/SW, at right angles to the prevailing wind direction, where it is expected the turbines could be located.

Approximately 50 local landowners have agreed to explore the feasibility of the proposal. The site may comprise separate discrete project areas/stages, with an ultimate potential of 200+ turbines.

KEY FACTS

Why is this an excellent project?

We believe this is an excellent wind farm proposal for a number of reasons;

- High 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.

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

WIND RESOURCE ANALYSIS

Epuron installed two 71m monitoring towers in February 2009 to measure the wind speed and wind direction on the site.

As these have been collecting data for over a full year now and across all seasons, we are undertaking a detailed analysis and assessment. On-site data will be correlated to other longer term data sets to establish long term predicted wind speed and direction. This information will then be used to develop optimised wind turbine layouts that will maximise the energy generation from the project.

The good news is that the wind analysis confirms that the wind speeds at the site are excellent and the wind resource meets thresholds required for progressing the development of the project.

Ongoing wind monitoring and time-series data collection from the masts will continue to be processed and used to fine-tune the wind characteristics. It is likely that further monitoring masts will be required as the project develops and masts may be relocated around the site to increase our data coverage.

GRID CONNECTION

Since late 2009, Epuron has been examining the most suitable grid connection options. A high level feasibility study considered all available connection options and analysed the technical merits of each option. The result of that work is that a connection into the newly constructed Wellington – Wollar 330kV transmission line presents the optimal technical solution to export the potential generation from the site.

Epuron has commenced preliminary discussions with the key government agencies to identify any significant obstacles for the proposed concept. We are looking to use crown land, to the extent that we can, and are discussing this approach with the NSW Government.

The next step is to discuss the potential route options with landowners in the coming weeks. This landowner consultation is an important part of the process to understand specific issues and concerns.

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 spent time in the area to do a preliminary assessment and undertake 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 there are some native vegetation communities, such as Yellow Box or White Box Woodland, that require management. Epuron has successfully managed similar issues on previous projects in NSW.

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.

Those of you who follow current affairs 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 Liverpool Range Wind Farm is primarily driven by the RET.

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