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11 July 2006

Toby Lambert, Senior Ecologist
Harper Somers O'Sullivan
PO Box 428
HAMILTON NSW 2303

Attention: Toby Lambert

Proposed Black Springs Wind Farm

Dear Toby

I refer to your emails sent 31 May 2006 and 22 June 2006 providing a Preliminary Environmental Assessment for the proposed Black Springs Wind Farm.

The provided information has been assessed and is considered to be adequate for the Roads and Traffic Authority (RTA) to complete assessment of the proposal. The RTA will provide further detailed comment upon referral of the development from the Department of Planning.

Should you have any further enquiries, please contact Mr Doug Moore on (02) 68 61 1681.

Yours faithfully

Angie Fanello
Business Administration Trainee
Road Safety & Traffic Management
Western Region

NSW DEPARTMENT OF
PRIMARY INDUSTRIES

Now incorporating Department of Mineral Resources
ABN 51 73 412 4190-003

28 June 2006

Harper Somers O'Sullivan
PO Box 428
Hamilton NSW 2303

Your Ref: 23219:SM:TL

Attn: Stephen McCall
Environmental Planner

Dear Sir,

RE: PROPOSED BLACK SPRINGS WIND FARM

Thank you for your letter of 30 May 2006 regarding the above proposal. The Department of Primary Industries has been formed by the merger of NSW Fisheries, Mineral Resources NSW, State Forests NSW and NSW Agriculture. This is a response from the Divisions of Mineral Resources and Fisheries within the Department of Primary Industries. There are no Agricultural issues. Comments by Fisheries are included below.

Minerals Comments

The Department of Primary Minerals – Minerals Division objects to this proposal. The Black Springs Wind Farm proposal is located on an active Exploration Licence (EL 5574) held by Straits Resources Pty Ltd who are actively exploring for copper and gold.

The Ordovician aged Rockley Volcanics and associated intrusions on which the Wind Farm proposal is cited is highly prospective for the discovery of porphyry-related copper and gold mineralisation. Other examples of this type of deposit in similarly aged rocks within New South Wales include Cadia, Ridgeway, Northparkes and Copper Hill.

The proposed Black Springs Wind Farm is also located within a Section 117(2) notification (Direction No. 28 - Environmental Planning and Assessment Act 1979) issued to Oberon Council in December 2003 protecting the Rockley Volcanics as a potential copper-gold resource. The location of the proposed Black Springs Wind Farm therefore has the potential to sterilise valuable mineral resources and impede an active exploration program within an existing Exploration Licence.

Fisheries Comments

Fundamentally all developments should aim to achieve **no net impacts** on receiving waterways. The proposed site is located within the upper Macquarie catchment adjacent to the Campbells River. Campbells River joins the Fish River to form the Macquarie River. It is a waterway of High Conservation Value which means it contains several threatened species. Any landuse activity within or adjacent to a prescribed stream or drainage line has the

potential to impact on the aquatic environment of the Campbells River catchment. It is NSW Department of Primary Industry (DPI) fisheries policy that consideration be given to the aquatic environment with planning and development of the proposal.

Harper Somers and O'Sullivan should note the requirements of s.201 of the *Fisheries Management Act 1994* regarding notification of NSW DPI and consideration of NSW DPI comments prior to commencing dredging or reclamation works in waterways. The design and construction of access roads and tracks across all waterways should be undertaken in accordance with the NSW DPI publication Fairfull, S. and Witheridge, G. (2003) *Why do Fish Need to Cross the Road? Fish Passage Requirements for Waterway Crossings*. NSW Fisheries, Cronulla, 16 pp.

NSW DPI should be consulted in the design phase of any waterway crossings to ensure that the works are designed and constructed in accordance with best management practice and with minimal impact on the aquatic environment within the immediate vicinity of the proposed works.

Should you require further clarification on the above fishery issues, please contact Stephen Clipperton, Fisheries Conservation Manager on 02 6881 279 or 0427 107883. Should you wish to discuss any Minerals issues, please contact the undersigned on 02 4931 6585.

Sincerely,

Dr Phillip Blevin

Senior Geoscientist - Land Use
Geological Survey of New South Wales

NSW Government
DEPARTMENT OF NATURAL RESOURCES

Contact: Tim Baker
Phone: (02) 6841 7531
Fax: (02) 6884 0096
Email: Tim.Baker@dnr.nsw.gov.au

File: DUB0109299-2

Stephen McCall
Harper Somers O'Sullivan Pty Ltd
PO Box 428
Hamilton NSW 2303

19 June 2006

Dear Mr McCall

Subject: PROPOSED BLACK SPRINGS WIND FARM – PRELIMINARY ENVIRONMENTAL ASSESSMENT

I refer to your letter dated 30 May 2006 regarding the preliminary environmental assessment for a proposed Wind Farm at Black Springs. The Department of Natural Resources appreciates the opportunity to provide comment and provides the following information as the basis for the requirements of an environmental assessment.

1. SITE DESCRIPTION AND IMPACT ASSESSMENT

1.1. The Wind Farm Proposal

This should include the following:

- The development proposal - description with detailed maps, plans and diagrams of the site and the proposed development;
- Sequencing, site preparation, any pre-development operations;
- Management of hazardous and potentially polluting substances eg chemicals, fuel.
- Management of contingencies;
- Post construction features and land use proposals.

1.2. Infrastructure

- The relationship of plant and building layout,
- Access roads,
- Other infrastructure for the proposed development where soil disturbance will take place.

1.3. Transportation

- Site access, and
- Hardstand areas.

1.4. Services

- Where soil disturbance is proposed - water, electricity, telephone,
- Rehabilitation of disturbed areas created by the installation of services.

1.5. Water Requirements

Operational water requirements and the proposed water sources, including a full impact assessment if groundwater is proposed to be used.

The issue of accessing surface water and the proposed method of doing so should be fully addressed.

1.6. Waste Management

Management, treatment and storage of toxic, hazardous, contaminated or potentially polluting substances or wastes. Waste materials should be managed in such a way so as to protect water resources from pollution and degradation.

1.7. Existing Environment

This section should include a full and detailed biophysical description of the following for the site and immediate locality:

- Topography
- Drainage pattern
- Geology
- Vegetation
- Soils
- Rural land capability
- Agricultural land suitability
- Climatic data
- Water resources, both surface and groundwater
- Quality of surface and groundwater
- Hydrogeology of the site
- Water use in the area
- Existing land use

1.8 Identification of Potential Impacts

The following should be included to enable an understanding of the potential impacts due to the proposal:

- A detailed list of the potential impacts of the proposal on the environment,
- The proposed mitigation, management and monitoring program including the level of confidence that the measures will effectively mitigate or manage the impacts.

1.9 Assessment of Impact Significance

The environmental assessment process should not only identify and predict impacts but, should also evaluate their significance and acceptability. To determine the level of significance of an impact, the Department will require consideration of the following aspects of an environmental impact:

- The magnitude of the impact,
- The size of area effected,
- How long the impact will last,
- Whether the effect will be ongoing, periodic or infrequent,
- Whether the effect is permanent or temporary,
- If it is reversible,
- The probability of the impact occurring,
- Whether the impact can be managed,
- The level of confidence in the prediction of the impacts

- The community concern surrounding the proposal

1.10 Environmental Monitoring Program

A monitoring program should be developed to determine the effectiveness of environmental impact management and mitigating strategies. To be most effective, this monitoring program should be developed during the scoping process along with other key environmental impacts which are identified for analysis.

2. INTEGRATED SOIL AND WATER MANAGEMENT PLAN

Particular detail is required of an Integrated Soil and Water Management Plan, which should be presented, as far as possible, as an integral unit within the environmental assessment. Current guidelines relating to soils and water management include the Landcom publication, *Managing Urban Stormwater: Soils and Construction – Volume 1, 4th Edition (2004)*. The plan should include the following:

2.1 Soil Management

- A description of the soil types present on all proposed work areas, roads, infrastructure and land areas which will be affected by activities associated with the project,
- Soil profile descriptions,
- Soil characteristics (both physical and chemical),
- Topsoil and subsoil stripping program,
- Minimisation of sterilising topsoil resources,
- Soil stockpile locations,
- Stockpile management,
- Topsoil and subsoil reuse proposals.
- Sources of extra soil material if required during construction of infrastructure etc.

2.2 Surface Water Management

This should include a description of the following:

- Hydrology,
- Water quality,
- Pollution potential,
- Runoff from the development site, infrastructure, access roads and other features of the development, together with runoff water management and water quality impacts for water now passing through, leaving and flowing adjacent to the site. Potentially polluting waters should be contained and managed on the site.
- Flooding status including:
    - 1: 100 year flooding zone
    - Vulnerability of detention/sediment basins to inundation or rupture,
    - Potential impact of rupture or inundation of storages,
    - Likely flooding frequency, and
    - Development potential to change flooding patterns,

2.3 Groundwater Management

The following should be undertaken;

- A hydrogeological survey of the site and locality to determine sub-surface conditions and the risk to groundwaters from all activities associated with the development,

- The documenting of the location, details and usage of all bores in the area of the development.

2.4 Erosion and Sediment Control

This should include;

- Management and control of erosion and sediment movement at all stages of the project, and
- Specifications of temporary and permanent structures.

Particular attention should be given to opening up any new or undisturbed areas.

2.5 Rehabilitation

Information is required in relation to all aspects of the operation. This should include;

- Conceptual end-use landforms,
- Soil (topsoil/subsoil) management,
- Ongoing rehabilitation of all disturbed areas,
- Revegetation techniques and seeding proposals, including species and rates (both for stability of disturbed areas during the operation and final end-use),
- Tree planting proposals,
- A maintenance program for rehabilitation and planting's.
- Management, maintenance and possible enhancement of riparian vegetation associated with the proposal.

3. RELEVANT LEGISLATION

The following legislation administered by the Department, is applicable with regard to the proposed development. It is recognised that approvals for this legislation are not required according to Section 75U of the *Environmental Planning and Assessment Act 1979*. Despite this, the Department advises that information in relation to the availability and significance of natural resources should be discussed with Departmental staff and that the development needs to comply with government policy.

Rivers and Foreshores Improvement Act (1948)

The Department is responsible for administering the Rivers and Foreshores Improvement (R&FI) Act (1948).

If there is any creek, drain, channel (artificial or natural), depression, etc. which conveys water, or there is a foreshore, a Part 3A Permit may be required from the Department under the Act to:

(1) **Excavate** or remove material from the bank, shore or bed of any stream, estuary or lake, or land that is not more than 40 metres from the top of the bank or shore of protected waters (measured horizontally from the top of the bank or shore). "**Protected waters**" as defined under section 22A of the Act means a river, lake into or from which a river flows, coastal lake or lagoon (including any permanent or temporary channel between a coastal lake or lagoon and the sea).

(2) **Build erosion control works** and other **structures** in a river, estuary or lake.

(3) **Place any fill material** in a river, estuary or lake.

When assessing developments that require a Part 3A permit under the R&FI Act, the Department will consider whether the proposal is consistent with State Government policy, including the NSW State Rivers and Estuaries Policy. A condition of consent to a Part 3A permit may include the establishment of a native vegetation riparian zone along a "river". The Department is unlikely to issue a Part 3A Permit for works that degrade watercourses and their environment.

Please note that the definition of a "river" in the *Rivers and Foreshores Improvement Act* is different to the definition in the *Water Act* and must be considered separately.

Water Act 1912* and *Water Management Act 2000

Approvals and/or licences required would be with respect to

- water storage (i.e. dams in excess of the Maximum Harvestable Right Dam Capacity (MHRDC) of the property and abstraction from watercourse or bore),
- monitoring bores or piezometers
- water licences for surface water and groundwater extraction.

Relevant government policies include the NSW State Groundwater Policy, NSW Water Policy, Lachlan Regulated Water Sharing Plan and the Macquarie-Cudgegong Regulated Water Sharing Plan.

Native Vegetation Conservation Act 1997* and the *Native Vegetation Act 2003

The *NV Act 2003* and *NVC Act 1997* provide for the conservation and management of native vegetation and to encourage the revegetation of land and rehabilitation with appropriate native vegetation. The *NV Act 2003* is predominantly administered by the local Catchment Management Authority, however DNR has a role in regards to compliance of this legislation. DNR remains the consent authority for clearing within protected lands which is still administered under the *NVC Act 1997.*

The Department has provided this information to assist in the management of natural resources within the zone of impact of the proposed Black Springs Wind Farm. If further information or clarification is required please do not hesitate to contact Tim Baker on telephone (02) 6841 7531.

Yours sincerely

Tim Baker
Natural Resource Project Officer,
Access and Compliance
Central West Region

Straits

29 June 2006

Mr Stephen McCall
Environmental Planner
Harper Somers O'Sullivan Pty Ltd
241 Dennison Street
BROADMEADOW NSW 2303

Dear Mr McCall,

RE: PROPOSED BLACK SPRINGS WIND FARM

Straits Exploration (Australia) Pty Ltd (Straits) are the holders of Exploration Licence 5574 surrounding the Black Springs townsite in the Central Tablelands of New South Wales.

Straits was notified yesterday (28 June 2006) by the Department of Primary Industries – Mineral Resources (DPI-MR), that Wind Corporation Australia (WCA) was preparing an Environmental Assessment for a Wind Farm proposal in the area. We were also advised that submissions were required to be received by Harpers Sommers O'Sullivan Pty Ltd (HSO), who act on behalf of WCA, by tomorrow (30 June 2006).

As Straits has a significant interest in the area in question, we are submitting the attached comments, outlining our concerns regarding the potential impact of the proposal on our activities. Please note that due to the method of notification of the proposed Wind Farm (by telephone from the DPI-MR), Straits has not yet received a copy of the Preliminary Environmental Assessment, and therefore cannot make direct comment on its content at this stage. Straits will be reviewing the document once we have obtained a copy, and are happy to provide comment at that time.

Given that Straits are one of the underlying tenure holders, we are very surprised that we were not notified earlier of the proposal, to allow us the opportunity of reviewing all of the available information before making a submission. However, should you require any additional information regarding our activities in the area after you have read the attached submission, we are happy to provide same.

Straits Exploration (Australia) Pty Ltd
ABN 52 061 614 695

First Floor
35 Ventnor Avenue
West Perth WA 6005

PO Box 1641
West Perth WA 6872
Australia

Telephone (61 8) 9480 0500
Facsimile (61 8) 9480 0520

www.straits.com.au

Future correspondence can be directed to:

Mr Bruce Hooper
Chief Geologist
Straits Resources Ltd
PO Box 1641
WEST PERTH WA 6872

Phone: (08) 9480 0533
Fax: (08) 9480 0520
Email: bhooper@straits.com.au

Due to the time restraints required for submission, this document is being forwarded via email. The original will be forwarded to your office by courier, and will include a copy of the 2005 Annual Report for Straits Resources Ltd, for your information. A copy has also been sent to the DPI-MR to inform them of our submission.

I thank you for the opportunity to discuss this matter with you this morning, and hope you find our contribution informative.

Yours sincerely,

Meryl Jones
Tenement Manager

For

Bruce Hooper
Chief Geologist

Straits Resources Ltd

Cc: Phil Blevin, Senior Geoscientist - Strategic Assessments, Department of Primary Industries - Mineral Resources

Submission in respect of

Preliminary Environmental Assessment

of the proposed

BLACK SPRINGS WIND FARM

Prepared by

Straits Exploration (Australia) Pty Ltd

1.0 Introduction

Straits Exploration (Australia) Pty Ltd (Straits) are the holders of Exploration Licence 5574 which constitutes the Bushranger Project in the Central Tablelands area of New South Wales. The tenement surrounds the Black Springs townsite, approximately 25 kms south of Oberon.

This document is prepared as a submission in respect of the Preliminary Environmental Assessment for a proposed Wind Farm, located to the west of the Black Springs townsite, and within EL5574.

The Bushranger Project is considered prospective for high level syn-volcanic porphyry copper-gold deposits. Straits has intersected significant copper and gold mineralisation in its exploration programmes to date, and has outlined a non-JORC compliant inferred resource at the Racecourse Prospect.

2.0 Tenure

Exploration licence 5574 was granted on 2 June 1999, and currently comprises an area of approximately 46km^2. The tenement is in good standing, and is current to 2 June 2007.

During the life of the tenure to date, Straits has expended in excess of $1.7 million on exploration activities.

3.0 Geology

The area is comprised of the Late Ordovician Rockley Volcanics of the Lachlan Fold Belt.

The area of the proposed Wind Farm lies over a two kilometre strike length of the contact zone between coarser grained volcaniclastic and breccia sequences in the east (light green on Figure 1) and finer grained volcano-sedimentary sequences to the west (dark green on Figure 1). Such contact zones often provide competency contrasts between the lithological units which are used as foci during times of faulting in the earth's crust, and are also often conduits for mineralising fluids.

Locations of possible fault sites have been interpreted from airborne magnetic susceptibility surveys which have been completed over the tenement area. These structures are shown as the blue dashed lines on Figure 1. These sites are also considered highly prospective.

4.0 Mineralisation

Figure 1 shows the distribution of drilling conducted to date on the Bushranger Project by all previous workers, including Straits (orange dots).

When Straits commenced its exploration programme on the tenement, the focus was placed on areas where mineralisation was already known to exist from previous work, with the intent to extend such mineralisation and define a resource. The Racecourse Prospect had shown the most encouraging results and exploration activities were focussed there. Once the mineralisation style was understood at this prospect, the understanding gained could be used in areas where previous exploration was ineffective or non-existent.

Encouraging mineralisation intersected to date includes:

Racecourse North Prospect:

Hole BRC015 44 - 46 = **2m @ 1.27g/t Au**
And 74 - 84 = **10m @ 0.84g/t Au**
Three additional holes were completed in this area this week. Results are awaited.

Racecourse Prospect (north):

Hole BRC030 134 - 202 = **68m @ 0.12% Cu**
It is likely that the deposit plunges beneath this hole and it probably hit the outer envelope of mineralisation, and therefore underestimated the true scope of the mineralisation.

Racecourse Prospect (central):

Hole BRC025 63 -112m = **49m @ 0.70% Cu**

Racecourse Prospect (south):

Hole BRC007 52 - 70 = **18m @ 0.85% Cu**
The deposit is still open further to the south of this drill section.

The overall strike length of the Racecourse zone, based on all drill fences is 1000 metres (open to the north and south) and to date has been tested to a maximum width of ~130 metres on two fences where the stockwork and disseminated copper mineralisation varies from 40 to 130 metres in width.

The southern strike extent of the mineralised body is unclear due to significant structural complexities that exist in this area. There is no Straits drilling south of cross section 6251450N, but a hole completed by a previous operator (D209 - located approximately 100 metres along strike to the south of this section) returned anomalous copper over the first 60 metres of the hole, in association with moderate pyrite-pyrrhotite mineralisation. This suggests that the hole may have passed over the tabular body.

Extensive Tertiary basalts in the vicinity of White Springs homestead cover significant southerly extensions to the Racecourse geology, which remain untested. A large magnetic high, which fails to outcrop, south west of the Racecourse prospect, also remains untested. The majority of the defined mineralisation to date lies marginal to this response and is interpreted as a possible buried intrusive body.

Southern Structural Zone:

> Hole BRC021 82 – 134 = **52m @ 0.15g/t Au**
> Hole from recent programme drilled 50m to the north but had to be abandoned. Still a valid target.

A complex and elongate southern surface electromagnetic (EM) anomaly which has been identified needs to be followed up, given that the response has only been tested at one location in a 400 x 100 metre anomaly. The siliceous low-grade gold-arsenic interval within BRC021 (above) also needs to be examined further (in particular to the immediate north), as identified by the downhole EM survey which was completed.

Footrot Prospect:

Anomalous copper and zinc geochemistry defined by previous explorers, as well as more recent Straits soil sampling within the Footrot area, need to be re-evaluated in light of the recent mineralisation models developed at Racecourse. The exploration potential at Footrot is heightened further due to the presence of moderate to strong sulphide accumulations including pyrite, pyrrhotite and minor chalcopyrite.

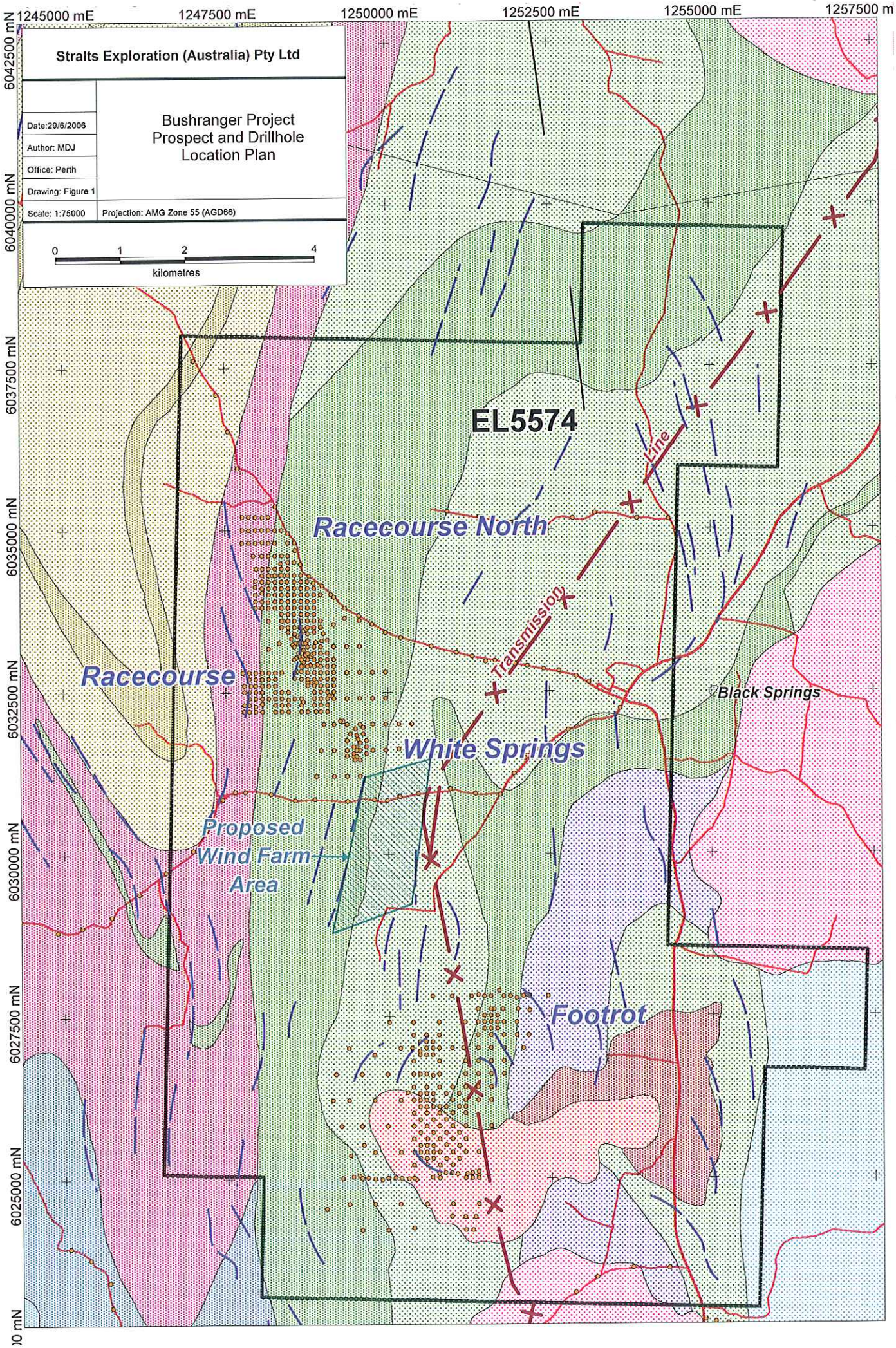
These results clearly indicate that the northern mineralisation which has been defined to date at Racecourse is still open to the south, and the southern mineralised areas around Footrot remain open to the north.

5.0 Conclusion

As can be seen from Figure 1, the area of the proposed Wind Farm lies in the central, and as yet unexplored area, between the two primary areas of mineralisation located to date.

The development of a Wind Farm, in that portion of the exploration licence would seriously impede Straits' ability to conduct its exploration activities in the area. It would also impact significantly on the potential to develop and mine any resource that may be identified there in the future.

Straits therefore strongly objects to the development of a Wind Farm by Wind Corporation Australia within its Exploration Licence 5574 – Bushranger.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Straits Exploration (Australia) Pty Ltd
Bushranger Project
Prospect and Drillhole
Location Plan
Date:29/6/2006
Author: MDJ
Office: Perth
Drawing: Figure 1
Scale: 1:75000
Projection: AMG Zone 55 (AGD66)
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Racecourse North
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Black Springs
White Springs
Proposed
Wind Farm
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Footrot