

PENROSE CLUB HOLDINGS LTD

ABN 47 001 371 204

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"JACQUA"

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Friday, 16 July 2010

Dear Dinuka,

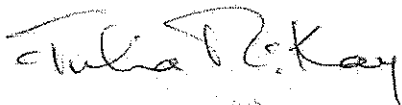
Following a brief conversation with Neil Osborne, I am writing to request an extension of the DGRs and Major Project approval for the Hanging Rock Power Station until the close of the first quarter in 2011 (i.e. March 31st 2011).

The uncertainties occasioned by the upcoming elections, the lack of direction provided by governments in respect of the CPRS and Carbon Accounting has meant that our financiers are unable to make a commitment at this stage. We do however, anticipate that there will be an improvement in this position over the coming months.

It should also be noted that our involvement with LEP Penrose (and Loran Energy Products P/L in all its guises) has ceased. For this reason, I would like to ensure that the approvals and notices previously held by Mr. Loran and his company are transferred to Penrose Club Holdings Ltd. Please let me know whether such transfer involves the execution of any documents or the payment of any fees.

Thank you and Neil for your help in these matters.

Sincerely,



Julia McKay
Director