

PALING YARDS WIND FARM PROJECT BACKGROUND

PROPONENT

Union Fenosa Wind Australia Pty Ltd (UFWA) is the proponent for the Paling Yards Wind Farm project. UFWA is a subsidiary of a Spanish Utility called Gas Natural Fenosa.

The Gas Natural Fenosa group is one of the leading multinational companies in the gas and electricity sector. The company:

- operates in 25 countries
- employs around 20,000 staff
- has 15.4 GW of installed power and nearly 20 million customers.

UFWA has eight wind farm projects (in development, approved and early construction stages) across NSW and Victoria. This portfolio represents a potential investment of approximately \$2.0 billion in renewable wind energy generation with a wind generation capacity of over 1,000 MW.

Gas Natural Fenosa has a strong commitment to social and environmental issues throughout all aspects of its business. Gas Natural Fenosa's goal is to achieve sustainable growth in electricity and gas production, transport, distribution and marketing activities that focus on protecting the environment and quality of life. Gas Natural Fenosa's efforts in this regard have been rewarded in recent years with a number of prizes and the achievement of significant milestones. They received numerous awards and public acknowledgements in 2011 that highlight the company's actions in the fields of social responsibility, sustainability and environmental protection, in addition to its strict financial control.

Gas Natural Fenosa is committed to the community in which it operates, where it generates value through its condition as an energy company and through community investment. Gas Natural Fenosa received the 2011 Platts Global Energy Award in New York for the most outstanding community development program for its Cuartel V gasification project located in Buenos Aires, Argentina.

UNION FENOSA
WIND AUSTRALIA



CURRENT PROJECTS

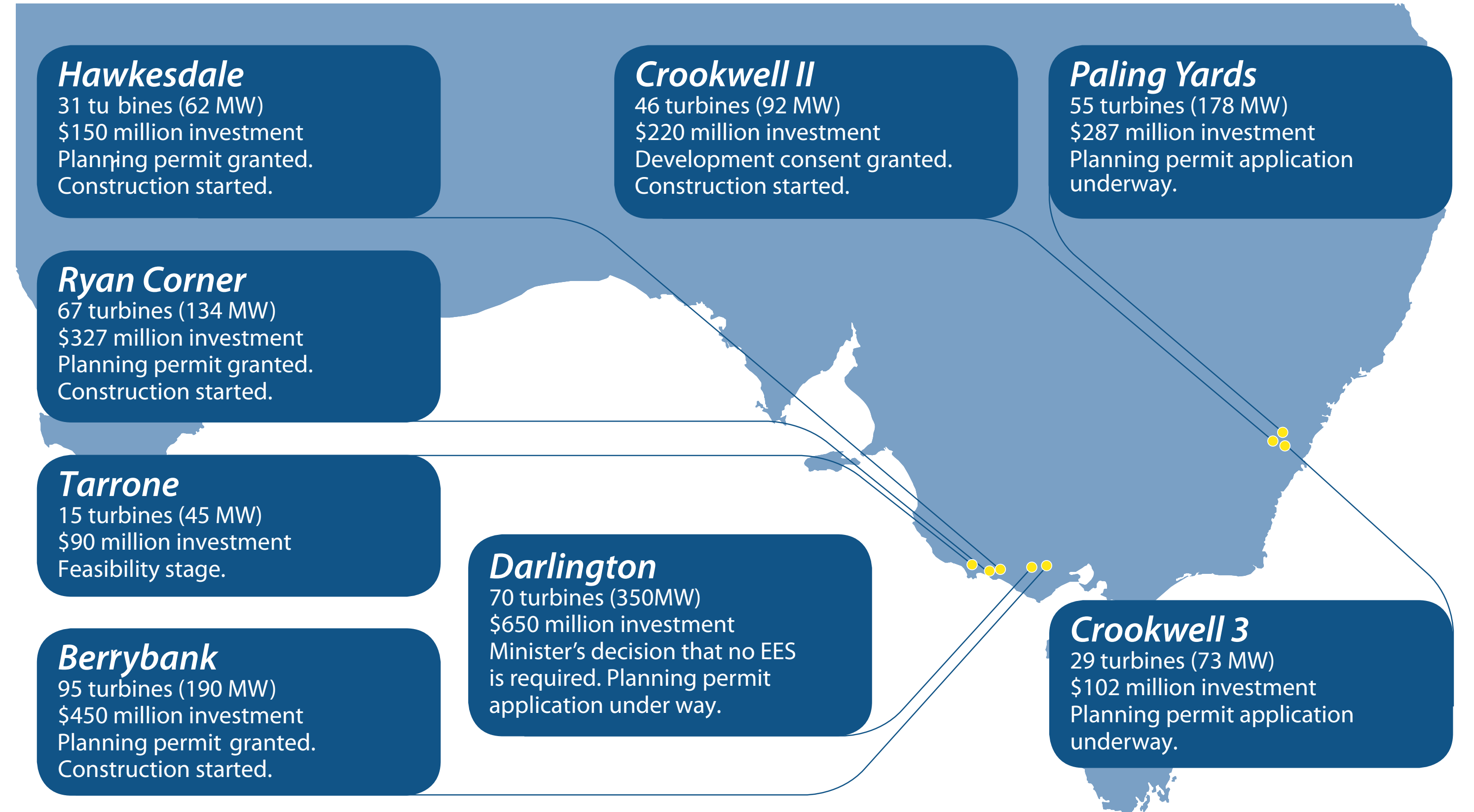


FIGURE 2 Union Fenosa Wind Australia - Current Projects

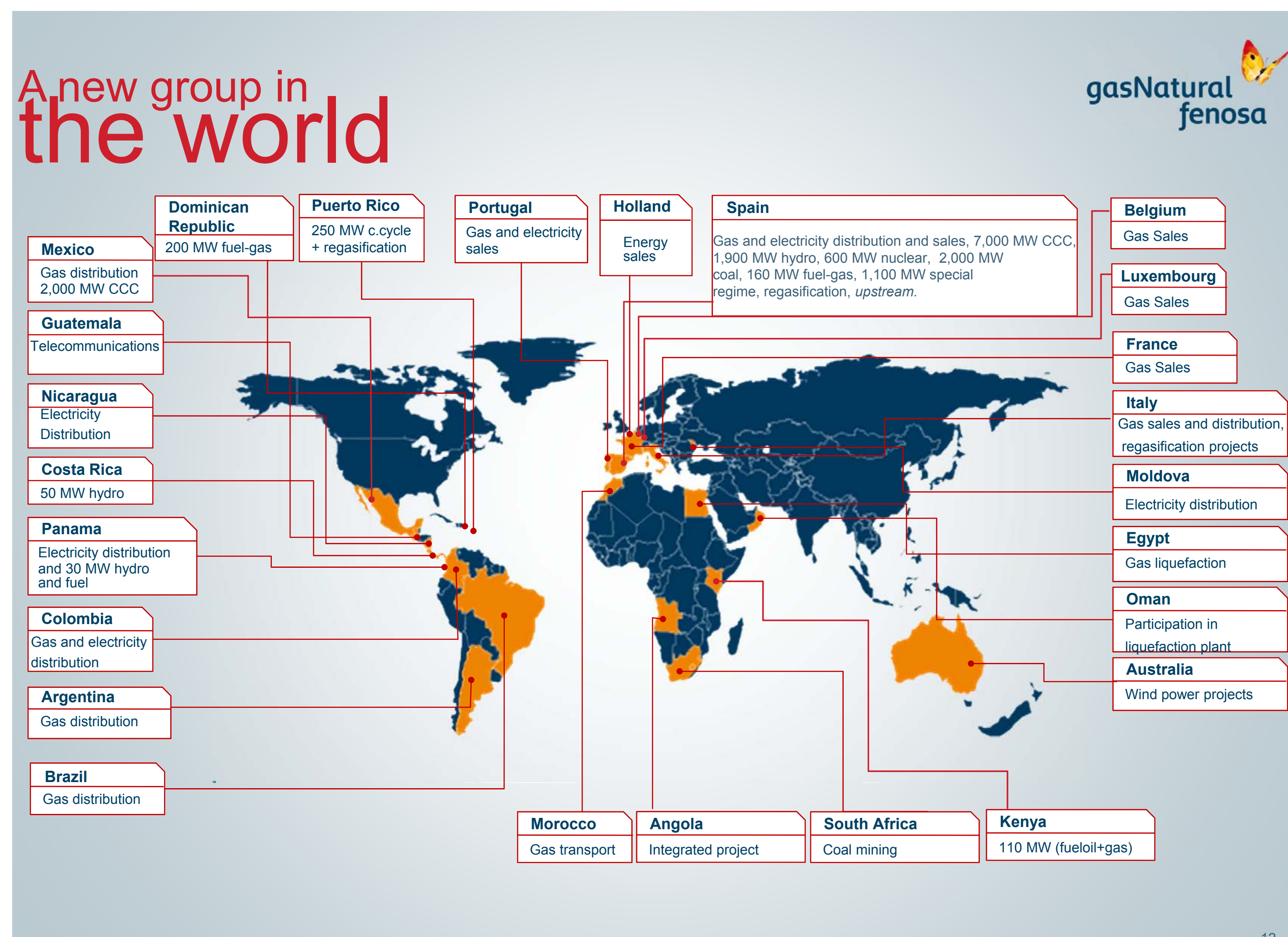


FIGURE 1 Union Fenosa International Projects

THE PROPOSAL

The project comprises a number of elements, including:

- Up to 55 individual wind turbines with a capacity of up to 4.5MW;
- Up to 55 individual kiosks for the housing of transformers and switchgears and associated control systems, to be located in the vicinity of the wind turbine towers (in some turbine models the equipment is integrated within the tower or nacelle);
- Upgrades to local road infrastructure including up to six access points from Abercrombie Road;
- Internal unsealed tracks for vehicle access to turbines and infrastructure;
- An underground electrical and communication cable network linking turbines to each other and the proposed on-site substation;
- Up to three wind monitoring masts fitted with various instruments such as anemometers, wind vanes, temperature gauges and potentially other electrical equipment;

- A temporary batching plant to supply concrete for the foundations of the turbines and other associated structures;
- Obstacle lighting to selected turbines (if deemed necessary);
- Removal of native vegetation;
- Vegetation planting to provide screening;
- Wind farm and substation control room and facilities buildings;
- An on-site electrical substation and approximately 9km of overhead powerline of up to 500kV;
- Grid connection achieved via an off-site 500kV electrical Terminal Station (including control room and other associated facilities) for the grid cut-in to the Mt Piper to Bannaby 500kV transmission line; and
- All associated and ancillary uses and activities.

PROJECT TEAM

- Tract Consultants Pty Ltd**
Environmental Planning and Approvals
- AECOM Australia Pty Ltd**
Decommissioning and Rehabilitation
- Anderson Environmental Consultants Pty Ltd**
Flora and Fauna, and Indigenous and non-indigenous Archaeological Heritage
- Aviation Projects Pty Ltd**
Aviation Safety and Obstacle Night Lighting
- Environmental Resources Management Australia Pty Ltd**
Socio-Economic and Landholder Consultation, Flora and Fauna, Indigenous and Non-Indigenous Archaeological Heritage and Hydrology
- Garrad Hassan Pacific Pty Ltd**
Electromagnetic Interference and Shadow Flicker
- Green Bean Design Pty Ltd**
Landscape and Visual Assessment
- SLR Consulting Australia Pty Ltd**
Noise
- URS Australia Pty Ltd**
Traffic, Transport and Geotechnical Investigation

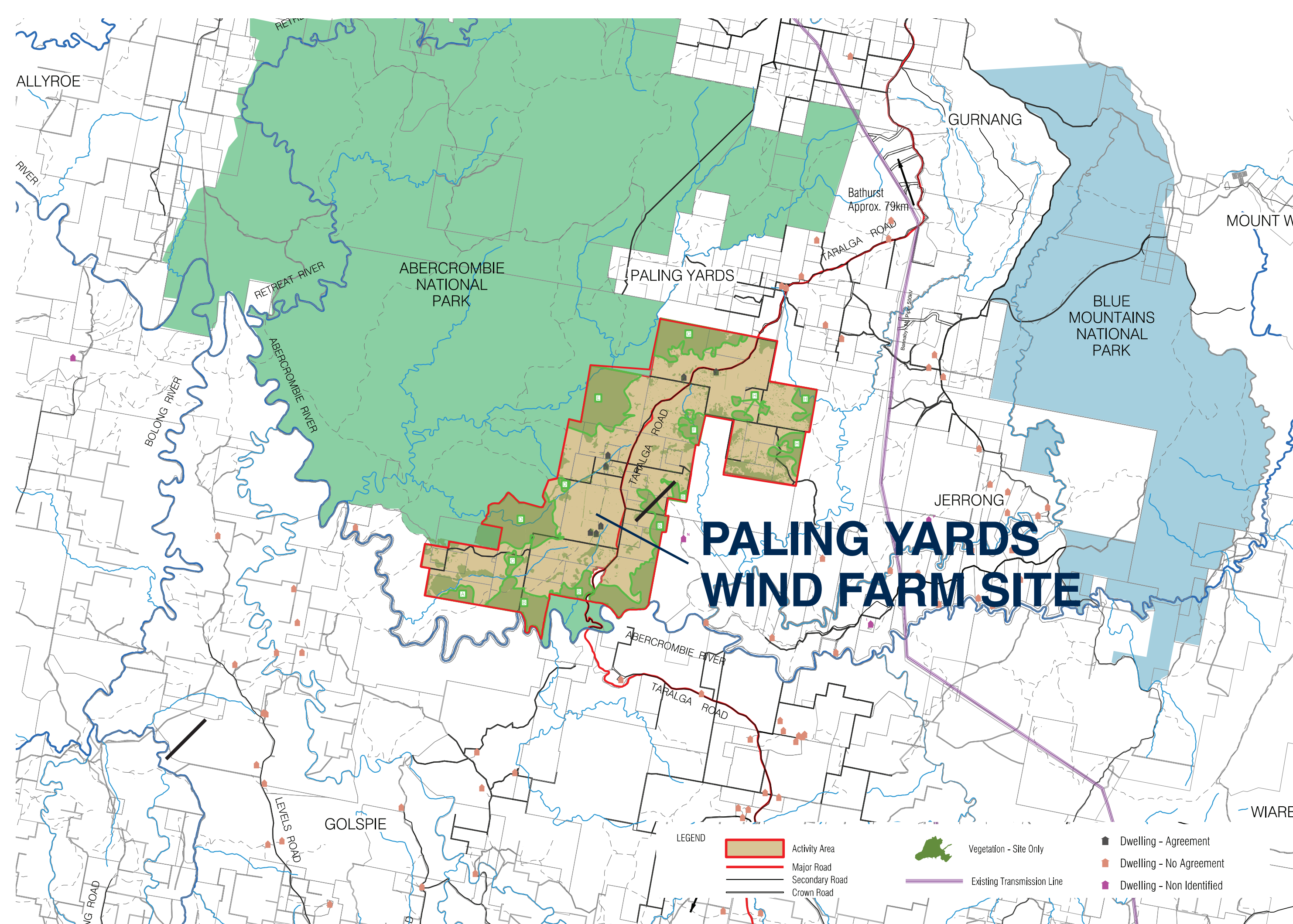


FIGURE 4 Regional Plan

PROJECT HISTORY

Since lodgement of the Preliminary Environmental Assessment for the project in April 2010, the proponent has engaged specialist consultants to investigate and assess the site and the project. The ongoing assessments carried out by these consultants have been used in the planning and design of the wind farm and to inform the environmental assessment of the project.

A key element of the investigations undertaken in relation to the project was the face to face consultation (door-knock) carried out with surrounding land owners, which took place in May 2011. The results of the door-knock, combined with a second round of consultation with key stakeholders, and additional consultant studies, resulted in a number of changes being made to the project to address some of the major issues raised.

Following these changes, the project now seeks approval for up to 55 turbines. Based on the maximum number of turbines now proposed, the potential capacity across the entire project is up to 178 MW of renewable energy.