Connell Wagner

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"Allan Stewart" <ast43486@bigpond.net.au cc bcc

11/03/2008 04:09 p.m.

Subject FW:

Project N/A

From: Ian Telfer [mailto:ian.telfer@wapres.com.au]

Sent: Monday, 10 March 2008 7:29 PM

To: Allan Stewart Subject: RE:

Alan

Our current operations employ two harvesting system approaches:

a) roadside - predominantly associated with replanting second rotation. When we are replanting we prefer to use the roadside system whereby the trees are processed (stripped of bark, limbs and leaves) on a landing and the windrows of debris are then burnt. There are two problems with leaving the material across the site, as occurs if single grip harvesting is used; firstly it is simply very difficult physically to prepare and replant through the harvest debris. Secondly and just as importantly the material increases the fire hazard dramatically and while the plantations are insured, we lose the resource when it is burnt down and it creates very dangerous conditions in which to try and control the fires. When we use a roadside harvesting system it is all of the larger twig, branch and bark material as well as some of the leaves that are currently burnt. The remainder of the leaves and some of the smaller twig material remains on site to decompose;

b) cut-to-length - mainly associated with coppice regeneration. The debris is retained through the plantation which creates 2 issues; firstly we experience access issues getting to the regenerating stumps and secondly, the fire risk remains (as outlined above).

The introduction of a biomass market for plantation residues is expected to coincide with an increase in use of roadside systems. We believe the commercial option plus reduced access (OSH) and fire risks outweigh the nutritional benefits of retained residues which can be managed with alternative programs (fertiliser). It is our view that such costs are much less than the benefits associated with having a biomass market.

Let me know if you have any questions arising

Regards

lan



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AM:SE



Mr Allan Stewart Babcock and Brown Pty Limited 88 Jacaranda Drive JERRABOMBERRA NSW 2619

Dear Allan

CURRENT FPC SECOND ROTATION PINE ESTABLISHMENT

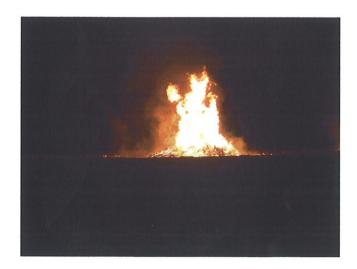
Following the clearfall harvesting of mature pine plantations the Forest Products Commission (FPC) undertake the following burning practices:

- On flat terrain large limbs, tree crowns and long butts are heaped into tee-pee type piles in preparation for burning. This material equates to approximately 100-200 tonnes per hectare, dependent on the tree form of the plantation that was harvested. Burning occurs after there has been sufficient rainfall so as to not carry fire across the remaining needle bed.
- The smaller limbs and needles are left behind on the ground for nutrient recycling.



Harvesting residue heaped for burning





Heap Burning

- On steeper terrain, where heaping machines cannot work, the forest residues are windrowed by a bulldozer. This process removes not only the larger residue material but the majority of the smaller limbs and needles leaving the ground essentially bare of any organic matter for nutrient recycling.
- The windrows are burnt after sufficient rain to prevent fire escaping onto neighbouring land.



Harvesting residue windrowed for burning

Prior to burning all necessary approvals are gained from the Department of Environment and Conservation.

The removal of the larger residue material allows for the access of other ground preparation machines and provides unimpeded access for planting crews.

Yours sincerely

Dr Paul Biggs

GENERAL MANAGER

14 March 2008



Tuesday, 18 March 2008

WA Biomass Pty Ltd C/o Babcock and Brown Australia Pty Ltd Level 51 525 Collins St Melbourne VIC 3001

Attention: Mr A Stewart

Dear Allan

RESIDUE FROM HARVESTING OPERATIONS IN WESTERN AUSTRALIA

I refer to your email dated 10th March 2008.

Great Southern currently carries out harvesting operations using two methods.

- GSL's logging operations snig full trees to the road side where they are delimbed, debarked, cut to length and logs are loaded onto trucks.
- GSL will also be using infield chipping operations which again bring full trees to the roadside where they are debarked, chipped and loaded onto trucks.

In both cases the majority of the harvesting residue is accumulated at road side. The current practice is to burn this residue in situ prior to site preparation for replanting.

I trust this clarifies the situation.

Tony Price

General Manager

our Sincerely

Forestry Processing and Harvesting



27 March 2008

Allan Stewart
Western Australia Biomass Pty Ltd
C/o Babcock & Brown
Level 51
525 Collins Street
Melbourne VIC 3001

Dear Allan

Plantation fuel for proposed biomass plant

I refer to the development of the biomass plant located near Manjimup in Western Australia (the "Project") and your email dated 10 March 2008.

ITC Limited ("ITC") has a Wood Supply Agreement with WAB Biomass Pty Ltd to supply wood fuel to the Project.

As requested, we confirm the following:

- The wood fuel that ITC intends to supply to the Project will be harvesting residues from hardwood plantations, comprising branches, bark and leaves. There is currently no higher value use for this wood fuel in this region.
- 2. The harvesting of ITC managed plantations include cut to length and infield chipping. In the case of infield chipping the harvested trees are snigged to near the roadside where they are delimbed, debarked and chipped and the woodchips are loaded into trucks. The majority of harvest residues from this process are generated by the delimbing and debarking process near the roadside.
- 3. Most of the plantations currently managed by ITC in the Manjimup/Bunbury region will be transferred to Great Southern Limited following harvesting of the first rotation. In accordance with a commercial agreement between ITC and Great Southern Limited, ITC's harvesting residues can be retained on site and, in the absence of a high value use, ITC has retained the harvesting residues for the incoming manager. In respect of current practice for managing residues prior to replanting for second rotation plantations, please refer to Great Southern Limited.

I trust this clarifies ITC's position.

Yours sincerely

Carl Richardson

General Manager, ITC Forestry