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Completion of Bulk Earthworks



Early work on the pulp mill platform one

This newsletter reports on the achievement of another important milestone for this landmark project, being the completion of Stage 1 of the Bulk Earthworks package. As reported in earlier newsletters, Gunns awarded the construction contract to a joint venture between John Holland and Hazell Bros in August 2011 for approximately \$20M. Stage 1 involved the creation of two large platforms upon which the majority of the processing plant, equipment and buildings are to be built. In addition, Stage 1 involved the creation of two storm-water ponds.

The works commenced in August 2011 and, although November 2011 saw the site receive above average rainfall, the Joint Venture has managed to complete Stage 1 works on time and on budget.

The construction works were continuously audited, checked and verified by a combination of in-house and third-party construction experts to ensure that the Joint Venture complied with the Contract including design, environmental, safety and quality aspects.

Further, both State and Federal Environment representatives have attended the site on a number of occasions during construction, to validate the compliance of construction activities against Permit obligations.

As can be seen in the photographs, the site has been meticulously finished and the quality of the workmanship has been described as excellent.

The Joint Venture's management of site was also of a very high professional standard and their collaborative approach to dealing with the construction enabled Gunns to achieve its desired project outcomes.

In all, approximately 850,000 m³ of clay and rock were excavated, sorted, transported and placed to create the platforms.

Approximately 200,000 tonne of rock was crushed to produce coarse gravel that was subsequently placed over the entire platform areas to create an all weather, durable surface that will enable further construction to proceed without delay at any time of the year.

The construction activities at the site attracted a lot of interest with more than 500 visitors over the past 6 months. All visitors were very impressed with the activities being done and remarked on the profile of the site.



Completed pulp mill platform one

Recommencement of the Tamar Chip Mill

The Tamar Chip Mill will recommence limited operations, receiving plantation chips and plantation logs, in the near future.

This recommencement will not be of a full time nature and at this stage, will be for an indefinite time period.

This is the sixth in a series of newsletters, published to provide interested community members with information about the Bell Bay Pulp Mill Project.

We will continue to provide this newsletter regularly and encourage interested people to make contact with Gunns if they would like more information about the project.

INTRODUCING Sven Lundgren



Sven is a Swedish national who joined Gunns as Engineering and Procurement Manager in early 2005 for the Feasibility Stage of the Bell Bay Pulp Mill project.

Sven has a Master of Science in Chemical Engineering from Chalmers Technical University, Sweden which he completed in 1974.

Sven has worked in the Pulp and Paper Industry for most of his career. He has been engaged in pulp mill production and in projects, with the longest period in the sales of pulp mill plants by one of the major Pulp Mill Equipment and Process suppliers.

Sven has been fortunate to work and travel within the world wide Pulp and Paper industry. He and his family have been stationed in Sweden, Brazil, Japan, Singapore and now Australia.

Sven supports Timo Piilonen with the projects' development.



Water usage and the project

Water usage and the Bell Bay Pulp Mill Project tends to generate a lot of discussion. Sadly, much of this discussion has been ill-informed. In the final analysis, the outcome is a very positive one for the State, as all of the water required by the Project will be taken from the water already being directed to the Trevallyn Power Station. Consequently the facts include:

- **No reduction in environmental flows through the Cataract Gorge,**
- **No reduction in domestic water available to the people of Launceston and**
- **No reduction in the tourism and recreation value of the Cataract Gorge.**

Water held by Lake Trevallyn has 3 main final applications:

- 1) The provision of base environmental flows through the Cataract Gorge,
- 2) A part of the Tamar Valley's municipal water supply system and
- 3) Electricity generation via the Trevallyn Power Station.

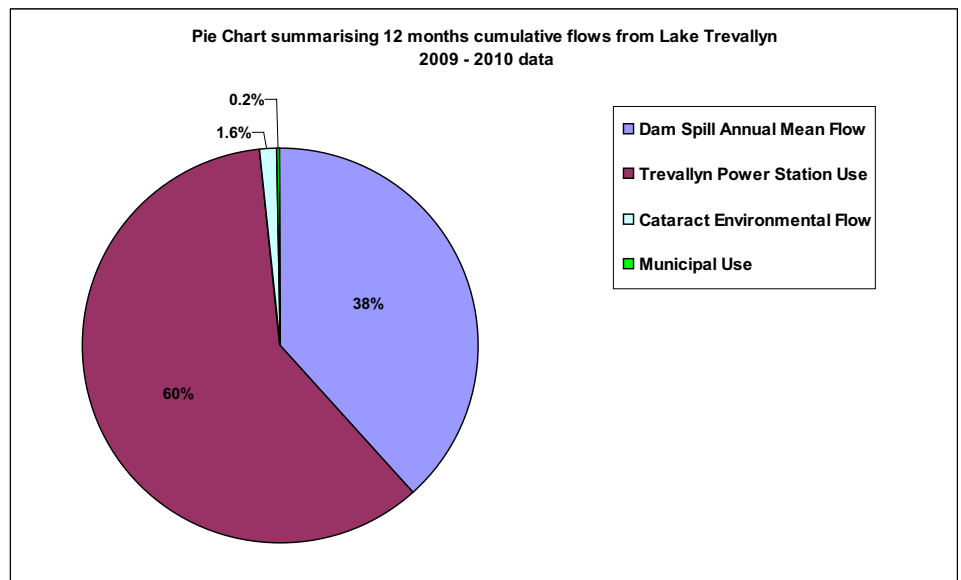


Figure 1 Water allocation between 2009 – 2010

The majority of the water which flows into Lake Trevallyn is diverted to electricity generation. For example, from data provided by Hydro Tasmania to Gunns in 2010 showed that an average of 56.4 cumecs¹ of water flowed through the Trevallyn Power Station and into the River Tamar, based on ten minute data over a representative 12 month period (refer Figure 1 and 2).

¹ 1 cumec = 1 cubic metre per second

INTRODUCING Timo Pilonen



Timo is the Project Director for the Bell Bay Pulp Mill. Timo has a Finnish nationality and commenced employment with Gunns in October 2010. His role is to manage the construction and the start-up phases of the Pulp Mill.

Timo has over 30 years experience in the pulp business. He graduated with a Master of Science of Pulping Engineering from the Technical University of Helsinki and since then has operated and constructed the newest and most modern pulp mills around the world. This project will be his fifth pulp mill.

Timo's last project was in Uruguay where the new mill was the largest industrial plant in the whole country and many things had to be created from scratch.

The Bell Bay Pulp Mill will be technically very similar to the Uruguayan Mill, with proven technology and a 'state of the art' mill. Timo would like to remind everyone that the best technology does not compensate for the skilled and motivated people who will construct and operate the mill.



The *maximum* generation capacity of Trevallyn Power Station is 95.8 Mega Watts (MW) from a maximum rated discharge flow of 98 cumecs.

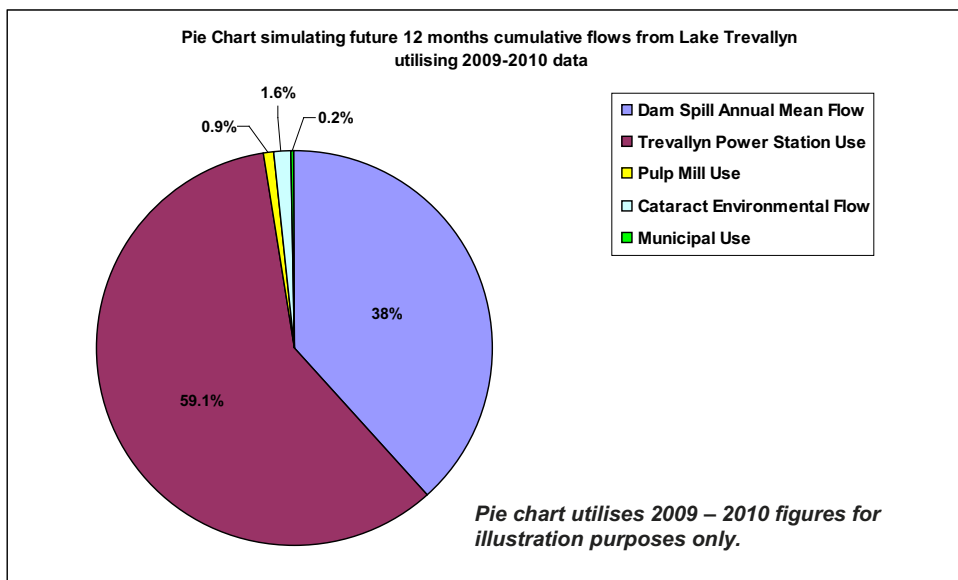
The Bell Bay Project's off take represents less than 2% of the *Trevallyn Power Station's* usage and so it will reduce Trevallyn's energy output by about the same proportion. The Bell Bay Project will pay Hydro Tasmania a market based fee for water which includes a component that recognises any lost generating capacity.

Bell Bay Energy – the big benefit!

The water purchased from the Hydro will facilitate downstream generation of a further 180 MW of renewable green energy at the Bell Bay mill. This is twice the total generation capacity of the Trevallyn Power Station. It also represents an approximate 100x gain in net energy delivery to the grid from the better utilisation of this small portion of the South Esk's flow.

In summary, there will be a huge net benefit to the community from the overall increase in 'green energy' that will be generated by the Bell Bay Project.

Figure 2 – Simulated water allocation including Pulp Mill utilising same 2009 – 2010 data



Did you know. . .

The atmospheric phenomena that contributes to Launceston's poor air quality is not a 'howling nor-nor westerly gale', that would conceivably bring Bell Bay emissions towards Launceston, but instead periods of none to little wind, flowing down hill and down valley from the highlands around Launceston toward Bell Bay. Precisely the wrong speed and direction for Bell Bay emissions to compromise Launceston's air quality.

FURTHER INFORMATION

For general enquiries on this publication please use our 'blog' site at gunnsblog.com

For further information on the Bell Bay Pulp Mill Project, please visit

www.gunnspulpmill.com.au

For general enquiries or more urgent concerns associated with construction activities, please contact us on the following:

Ph 03 6335 5459 or

bettina.goodwin@gunns.com.au

Ph 1800 265 297 or 0458 001 785 from mobile phones (after business hours)

Email – pulpmill@gunns.com.au

COMMUNITY LIAISON COMMITTEE

Website at:

<http://bellbaypulpmillclc.org>

Postal address:

PO Box 437 George Town
TAS 7253

**Next two CLC meeting
dates:**

12 April 2012

14 June 2012

Crowded Leek Orchid of NW Tasmania

The Crowded Leek orchid (*Prasophyllum crebriflorum*) is endemic to North West Tasmania found only in the Montane native grasslands, mainly on Gunns Surrey Hills estate, near Burnie. It was first discovered in 1999 by botanists on a field trip looking at grassland management.

It is a small fleshy terrestrial orchid with a solitary erect leaf and is listed as an endangered species under Tasmania's Threatened Species Act and the Commonwealth's Environmental Protection & Biodiversity Act.

The plant's stronghold was on a small plain at West Wing where 75 individuals were known to occur. In September 2008 a scheduled burn was carried out over the area and a collaborative monitoring program between the State Government, the community group Threatened Plants Tasmania and Gunns was established to assess the plants response to the grassland burning. Measuring first commenced in January 2009 when the orchid is in flower and has been conducted each year since. There had been a very positive response to the 2008 burn, with an increase in the number of orchids. Unfortunately, as time from the last fire increases, the populations of emerging orchids are in decline. Ecological burning is considered a preferred disturbance tool for many orchids to stimulate additional flowering...but timing is critical.

The management of the grasslands for the endangered Crowded Leek orchid represents another challenge for Gunns in meeting its environmental and conservation targets. It is a challenge that is taken seriously and the current ecological burning program is by far the most extensive, well designed and well executed ecological burning regime implemented in Tasmania. It is hoped that through continued monitoring we can improve our management further and enhance the survival of this important Tasmanian orchid.



Did you know. . .

Modelling on behalf of Insight Economics shows that by 2030, the project will generate \$9.9 billion in additional GSP (relative to a base case in which the investment does not occur) and support \$3.7 billion in private consumption across the State, while generating an additional 3,100 jobs. A large share of the benefits would accrue to Northern Tasmania.