



File: 09/4409

Environmental Manager
Eastern Star Gas Limited
Level 7
51 Pitt Street
Sydney NSW 2001

Dear Sir,

**PEL 238: Approval to conduct Narrabri Coal Seam Gas Project
Dewhurst - 8 Lateral Production Pilot**

In accordance with Condition 2 of PEL238 granted under the provisions of the *Petroleum (Onshore) Act 1991*, the titleholder is granted approval to conduct the Dewhurst 8 Lateral Production Pilot, subject to the conditions set out below. These conditions relate specifically to this approval. The conditions are in addition to those previously attached to PEL238. A breach of these conditions is an offence under the *Petroleum (Onshore) Act 1991*.

CONDITIONS

General conditions

1. The activity must be carried out generally in accordance with the:
 - a. Review of Environmental Factors, Dewhurst – 8 Lateral Production Pilot- PEL 238, Gunnedah Basin, New South Wales
 - b. Conditions of this approval.

If there is any inconsistency between the above documents, the most recent document prevails to the extent of the inconsistency.

An additional security of \$90,000 is required to be lodged to cover the rehabilitation liabilities associated with the activities under this approval. You will be contacted by the Department's Titles Branch regarding this requirement.

Should you wish to discuss any details of this approval, please contact Tim Carroll directly on (02) 6571 872.

Yours sincerely,

Michael McFadyen,
Manager Environmental Operations
DATE: 21 JULY 09