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Tim Donnan Manager'- Environmental Eastern Star Gas Limited GPO Box 4526 Sydney NSW 2001

Dear Mr Donnan

Eastern Star Gas (Operation Associated with the Narrabri PEL 238 Project) - 2009 Hazard Audit report prepared by Planager Risk Management Consulting (Document No. EASGAS\01-B216).

I refer to your letter of 3 February 2010 and the hazard audit report of 2009 submitted to the Department for review and approval.

The audit appears to be consistent with the Department's Hazardous Industry Planning Advisory Paper No 5 - Hazard Audit Guidelines.

There are 33 recommendations (Table E1 – Management Action Plan) in the report. Eastern Star Gas should prepare an implementation plan of the recommendations within two months, including a 'Safety Operating Plan' (SOP). A copy of the implementation plan should be forwarded to the Department by the end of April 2010.

The Audit report is approved.

The next hazard audit should be completed in three years time and a report be submitted to the Department not later than December 2012. You are also reminded that a new hazard auditor approval will need to be obtained before the audit is commenced.

Should you have any queries, please contact Jahangir Alam on the above contact details.

Yours sincerely

Scott Jeffries
Director

Infrastructure Projects

As delegate of the Director-General