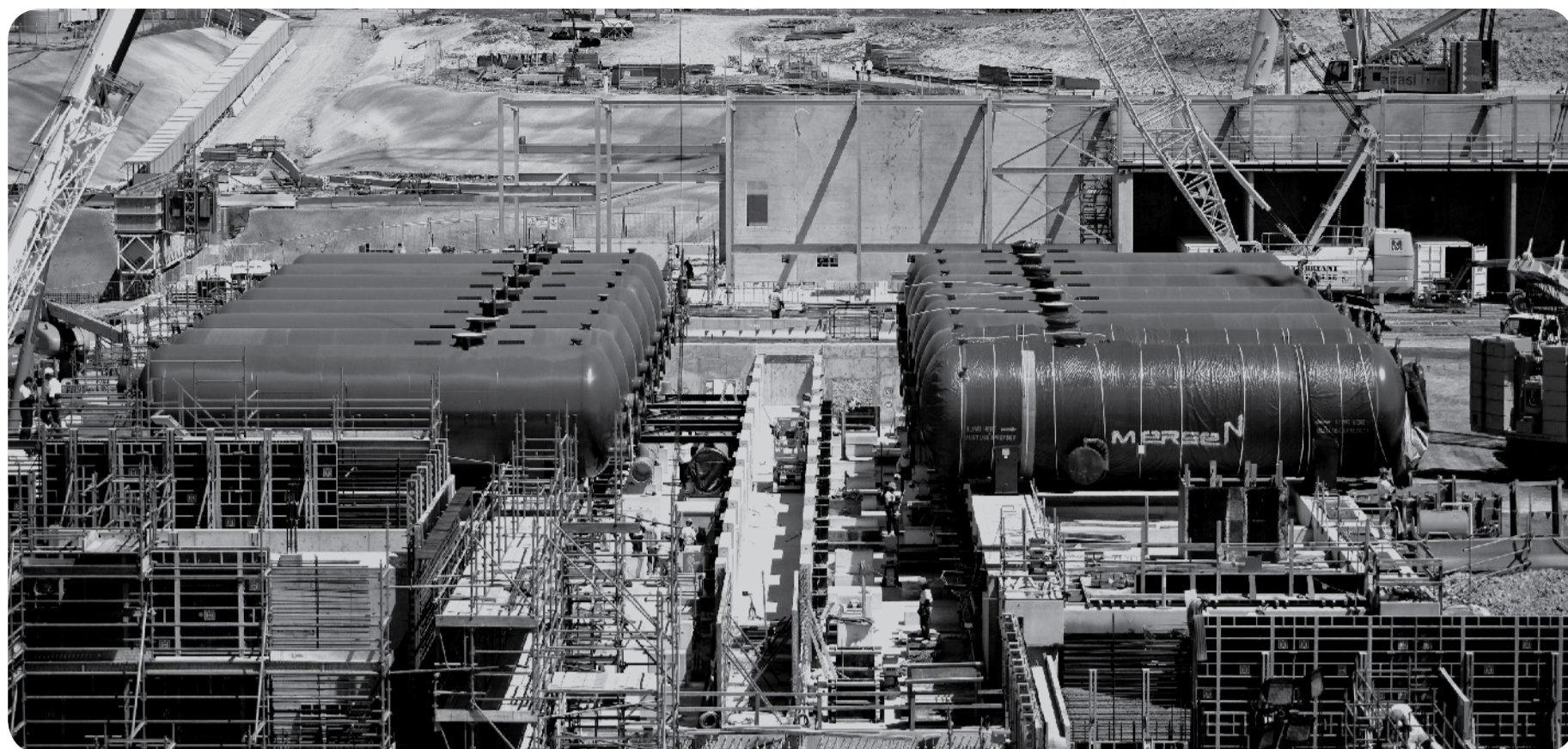


AN UPDATE FROM AQUASURE



As we head into Christmas, there are now more than 3300 people at work right across the Victorian Desalination Project.

Despite a brief interruption to progress recently, our challenge remains the same – water by December 2011.

I'm really pleased to announce that Brendan Donohue joined the design and construction team recently as the new Executive Project Director for Thies Degrémont.

I have known Brendan for a long time and have worked with him before, and know that he will be a great addition to the team.

He brings almost 40 years of experience in construction to the project, having managed major projects and building operations for top-tier construction companies, and I hope you will join me in welcoming him to the project.

Brendan joins the project at an exciting time, with a number of major milestones achieved during 2010, including:

- Completion of the 1.2km underground inlet tunnel;

- Completion of almost 800m of the 1.4km underground outlet tunnel;
- Completion of two intake structures on the seabed;
- Significant progress on all 29 buildings on the desalination plant site;
- Completion of half of the massive structural steel frame and roof system for the reverse osmosis building;
- Start of installation of the mechanical components of the facility;
- Completion of pipe laying on 47km of the 84km transfer pipeline; and
- Completion of underground power cable installation on more than 42km of the 87km underground power supply.

These achievements are a testament to the long hours worked and the dedication shown by the people involved in the project, including our many valued employees, sub-contractors, suppliers and other stakeholders.

More than five million man hours have been worked to date, with a strong focus maintained on safety and compliance with the strict environmental performance requirements of the project.

We also continue to take our role in the community seriously and we're sincerely grateful to the Bass Coast community for the way in which they have welcomed our people to the region.

During 2010, our information centres continued to be popular sources of information about the project, and both AquaSure and Thies Degrémont entered into a range of community partnerships that we trust will provide long term benefits to the community.

The project will close for the holiday season, with only a few staff working between Christmas and New Year.

The Community Information Centre in Wonthaggi will be open on selected days and resume normal opening hours from Tuesday, 4 January. Details about opening hours are listed on our website.

On behalf of everyone involved with the Victorian Desalination Project, our very best wishes for a Merry Christmas and a safe and prosperous new year.

Chris Herbert CEO, AquaSure

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