

**From:** Garth Heron  
**Sent:** 16 February 2017 09:35  
**To:** Greg Hatter <[REDACTED]>  
**Cc:** Contact Crystal Brook Energy Park <[contact@crystalbrookenergypark.com.au](mailto:contact@crystalbrookenergypark.com.au)>  
**Subject:** RE: 166 Hatters Road Crystal Brook - Crystal Brook Energy Park

Dear Greg,

Thank you for your email and attached letter. Earlier this morning I left a message on your telephone, and would be very happy to discuss Crystal Brook Energy Park whenever you have some time available: My personal mobile number 0408 998 425.

I am sorry that you missed the community open day, but I can supply you with all of the information that we provided on the day, and, a proposed layout for our proposed project together with regular updates.

I am also travelling to Sydney from time to time and if you are interested would be able to meet you personally to discuss your concerns.

Kind regards,

**Garth Heron**

Head of Wind Development - Australia  
SYDNEY | **CANBERRA** | PERTH | PARIS (HQ) | LISBON | MEXICO | CAIRO | EL SALVADOR  
Neoen Australia | Level 6 | 16 Marcus Clarke Street | Canberra ACT 2601 |  
M : +61 408 998 425  
[garth.heron@neoen.com](mailto:garth.heron@neoen.com) | [www.neoen.com](http://www.neoen.com)

**From:** Greg Hatter <[REDACTED]>  
**Sent:** 15 February 2017 17:17  
**To:** Garth Heron <[garth.heron@neoen.com](mailto:garth.heron@neoen.com)>  
**Cc:** Contact Crystal Brook Energy Park <[contact@crystalbrookenergypark.com.au](mailto:contact@crystalbrookenergypark.com.au)>  
**Subject:** 166 Hatters Road Crystal Brook - Crystal Brook Energy Park  
**166 Hatters Road Crystal Brook**  
**Crystal Brook Energy Park**  
Please refer to the attached letter.

Regards  
**Greg Hatter**

[REDACTED]

The information in this email contains privileged and confidential information intended solely for the use of the individual or entity to whom it is addressed. If the reader of this email is not the intended addressee, or the employee or agent responsible to deliver it to the addressee, you are hereby notified that any dissemination, distribution or copying of this email is strictly prohibited. If you have received this email in error, please notify me by telephone and also delete this email from your computing system.

106 Avenue Road  
Mosman  
New South Wales 2088

**Attention: Mr Garth Heron**  
Neoen Australia  
Suite 3 Level 14  
227 Elizabeth Street  
Sydney NSW 2000  
[Garth.heron@neoen.com](mailto:Garth.heron@neoen.com)  
[contact@crystalbrookenergypark.com.au](mailto:contact@crystalbrookenergypark.com.au)

Dear Sir

**166 Hatters Road Crystal Brook ("Impacted Property")  
Crystal Brook Energy Park**

I refer to your proposed development and also the referenced Impacted Property.

Last week I was advised by a third party that a meeting had taken place in Crystal Brook on Wednesday, 8 February 2017 concerning a Wind Farm proposal. The Hatter family as a land owner stands to experience a significant impact due to such a development and can only surmise that the lacking in an invitation by Neoen Australia to such a meeting was intentional.

Given that the front of our property faces east and enjoys 180 degree vistas of the start of the Flinders Ranges that stretch from Crystal Brook through to Mount Remarkable any such development will have a significant impact on same and will effectively render the residence untenable and as such leaving the property would be our only option.

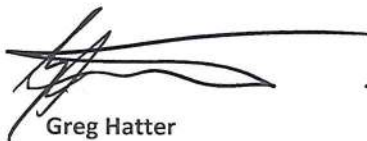
I have since learnt yesterday that there will also be a solar farm added to the development. The solar farm development appears to reside against the full length of our Eastern boundary line. Again to this date there has been no consultation concerning same.

By any measure the nonexistence of information that has been conveyed to us as an affected land owner and adjoining land owner would suggest that the *Community Information Session* is lacking and in our case effectively non-existent.

It is uncertain as to whether this lacking in communication is strategic, intentional or presumptive at best.

We do not welcome the idea of leaving the property after 64 years whilst also experiencing the consequential effects of a decrease in property value, as such the Hatter family is strongly opposed to this proposed development.

Yours faithfully



Greg Hatter

## Inheriting Risk

### Background:

Based on industry norms and the limited information provided to date concerning the Wind Farm the following can summarise the allocation of risk between Neoen and the Beetaloo Valley and other immediate adjoining land owners, where:

- 50 Towers x 4 MW = 200MW
  - 200MW x \$2.5M per MW installed.
- = Indicative Project Value of \$500,000,000

On a typical Equity/Debt ratio basis funding for this development can be shown as follows:

Funding Type	Percentage	\$ Value
Equity (Neoen)	30%	\$150,000,000
Debt (Banks and the like)	70%	\$350,000,000
<b>Total</b>	<b>100%</b>	<b>\$500,000,000</b>

In order for Neoen to protect its Equity of \$150,000,000 and also the banks debt they will require from an equipment supplier and constructor such as Siemens, GE, Alstom etc ("Technology Provider") to provide as a minimum, a significant number of Guarantees and instruments of agreement ("Guarantees") at the time of Contract/Project award. Conversely at the same time Beetaloo Valley residents which have an Equity asset value in their own properties of say \$50,000,000 will be required to inherit significant risks. As shown below:

NEOEN			BEETALOO VALLEY AND OTHER IMMEDIATE LAND OWNERS		
Project Value of Wind Turbine Facility (Based on \$2.5M PerMW installed)		Approximately \$	500,000,000		
Neoen's Equity involvement		\$	150,000,000		Indicative Equity Value of Properties in Beetaloo Valley and surrounds
					Approximately \$ 50,000,000
Contractual Requirements	Percentage of Project Value	Approx Value	At Project Completion and Commencement of Operations the following Risks are probable		
Technology Provider would need to provide Neoen as a minimum the following			Guarantees provided to Beetaloo and others on a back to back arrangement		
Performance Guarantee (Unconditional Bank Guarantee) re Output, Noise, Vibration	20%	\$ 100,000,000	Possible Risk / Issues		
Construction Risk (Unconditional Bank Guarantees)	20%	\$ 100,000,000	Living with Noise that exceeds parameters	Nothing Offered	\$ Zero
Parent Company Guarantee	100%	\$ 500,000,000	Decrease in Land Value Risk	Nothing Offered	\$ Zero
Insurances	As claimed		Community Disruption/Division	Nothing Offered	\$ Zero
Warranties	As claimed		Health (essentially unquantifiable)	Nothing Offered	\$ Zero
Covers Liabilities that are not included in above protection mechanisms eg: loss of profit, direct costs, indirect costs, consequential losses etc (Some contracts can require as high as 200%)	100%	\$ 500,000,000	Other		
Risk Protection Value (In the Aggregate)		\$	1,200,000,000		Beetaloo Valley and others Inherited Risk covered by
					Nothing Offered
					\$ Zero

Additional questions:

1. Should noise and vibration of a particular wind turbine exceed the specifications requirements where the effects means the disruption and quite enjoyment of nearby resident/s can Neoen confirm the identified wind turbine will be shut down immediately.

It would be envisaged that as a condition precedent to financial close and the award of the Technology Provider contract that a written guarantee for the residents of Beetaloo Valley would be entered into to reflect this requirement.

2. Neoen are suggesting in the public domain that the full development will be a \$500M whereas when calculating the development based on conservative \$ per MW installed figures it suggests to be between \$650M and \$870M, summarised as follows:

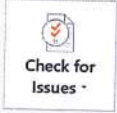
Cost of Assets	Cost Per MW Installed	Number of MW Per Unit	Lower End Cost		Upper End Cost		
			Number of Units	Total Value	Number of MW Per Unit	Number of Units	Total Value
Wind farm	\$ 2,500,000	4	50	\$ 500,000,000	4	50	\$ 500,000,000
Solar	\$ 1,900,000	30	1	\$ 57,000,000	100	1	\$ 190,000,000
Battery Storage	\$ 1,800,000	50	1	\$ 90,000,000	100	1	\$ 180,000,000
<b>Total Value</b>				<b>\$ 647,000,000</b>			<b>\$ 870,000,000</b>

What is Neoen's real strategy or true intent in providing costings that don't make sense.



### Protect Document

Control what types of changes people can make to this document.



### Inspect Document

Before publishing this file, be aware that it contains:

- Document properties and author's name
- Custom XML data
- Content that people with disabilities are unable to read



### Manage Document

Check in, check out, and recover unsaved changes.

- There are no unsaved changes.

#### Properties -

Size	25.3KB
Pages	2
Words	397
Total Editing Time	209 Minutes
Title	Add a title
Ta...	Add a tag
Comments	Add comments

#### Related Dates

Last Modified	4/18/2017 10:29 AM
Created	4/17/2017 3:37 PM
Last Printed	Today, 10:54 AM

#### Related People

Author	Greg Hatter
	<a href="#">Add an author</a>
Last Modified By	Greg Hatter

#### Related Documents

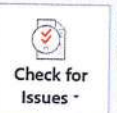
[Open File Location](#)

[Show All Properties](#)



### Protect Document

Control what types of changes people can make to this document.



### Inspect Document

Before publishing this file, be aware that it contains:

- Document properties and author's name
- Content that people with disabilities are unable to read



### Manage Document

Check in, check out, and recover unsaved changes.

- There are no unsaved changes.

#### Properties -

Size	17.0KB
Pages	1
Words	133
Total Editing Ti...	5 Minutes
Title	Add a title
T...	Add a tag
Comments	Add comments

#### Related Dates

Last Modified	4/19/2017 8:44 AM
Created	4/19/2017 8:28 AM
Last Printed	

#### Related People

Author	Greg Hatter
	<a href="#">Add an author</a>
Last Modified By	Greg Hatter

#### Related Documents

[Open File Location](#)

[Show All Properties](#)