

A Long Term Solution New Water Growth

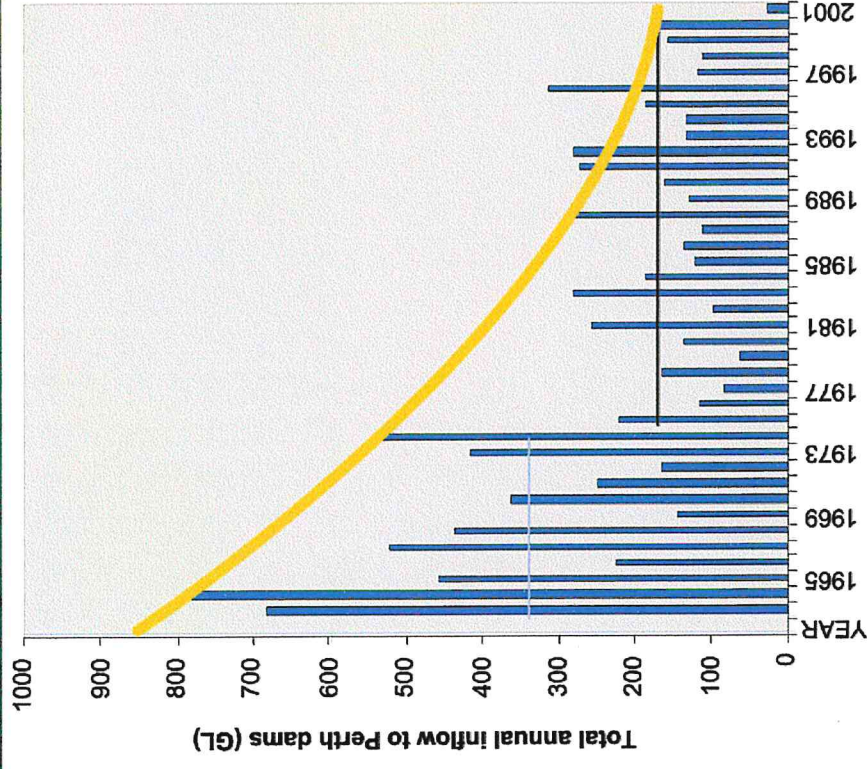
The Goldfields-Esperance Water Supply



The Goldfields-Esperance Water Supply

Strategic need

- ✓ Declining inflow to Perth's dams
- ✓ Pressure on groundwater supply
- ✓ Growing domestic and industrial demand
- ✓ Climate change impact unpredictable
- ✓ The project can save 10 GL/year at no additional cost to Government



The Goldfields-Esperance Water Supply

A Visionary Project – *‘Making more water for Western Australia’*

United Utilities Australia proposes a visionary new water project for Western Australia.

UUA will build a desalination plant and 400km pipeline carrying fresh water from Esperance to Kalgoorlie. The project will free up water for Perth and guarantee abundant supplies for Kalgoorlie and the Goldfields for a century to come.

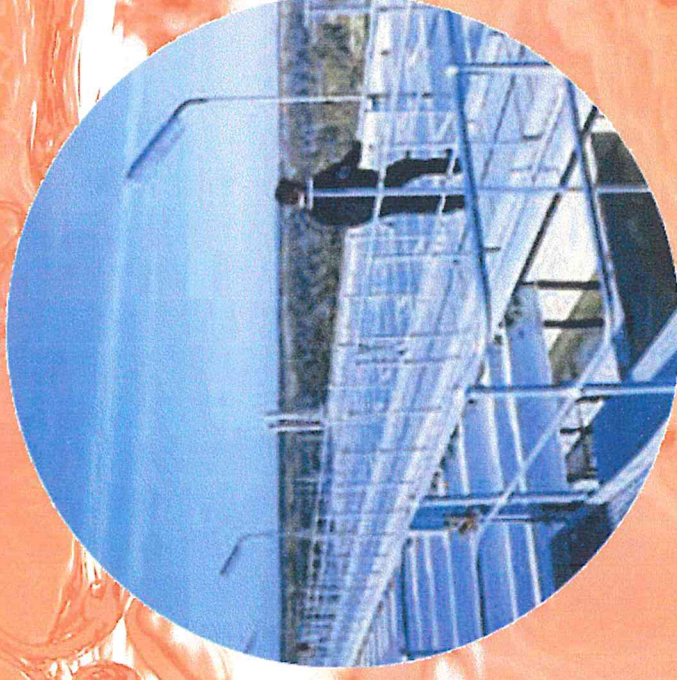


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United Utilities Australia

UUA is a wholly owned subsidiary of **United Utilities PLC**, one of the world's leading multi-utility service providers.

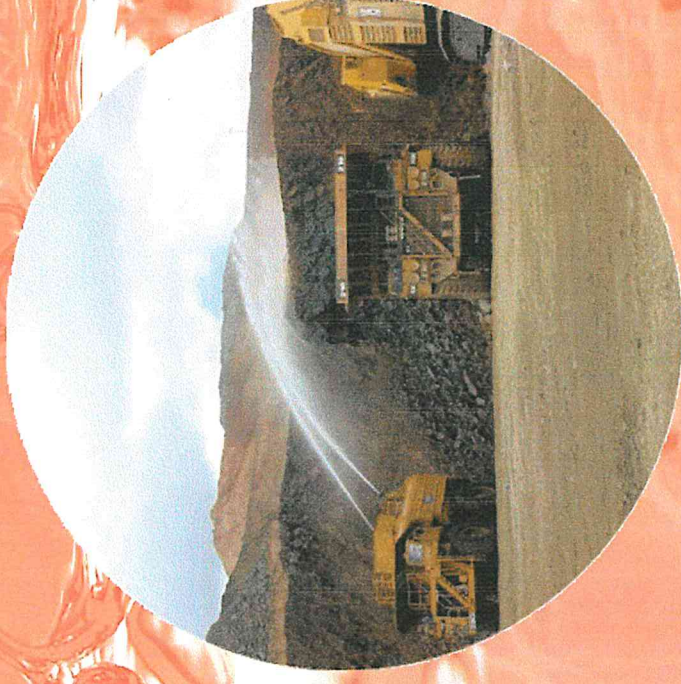
- ✓ FTSE Top 100 company with turnover exceeding A\$5 billion
- ✓ Operates in Britain, Europe, North America and Asia



The Goldfields-Esperance Water Supply

United Utilities Australia

- ✓ Operates in New South Wales, Victoria, Queensland and South Australia
- ✓ Finances, builds and operates water and wastewater utilities
- ✓ Built and operates the most advanced desalination plant in Australia, at QNI in Queensland

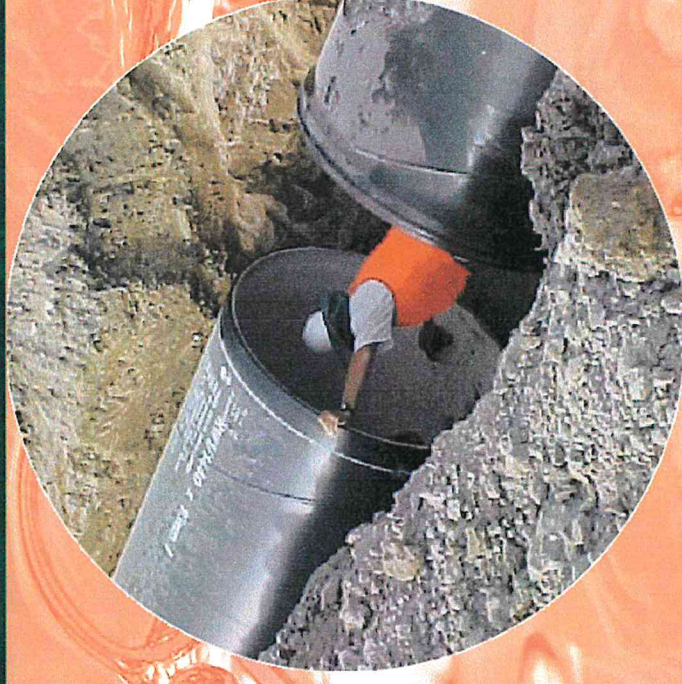


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The Project

A state-of-the-art desalination plant at Esperance and a new pipeline taking fresh water to Kalgoorlie

- Making new water for Western Australia
- Unlimited supply from cleanest sea
- 20GL/year desalination plant (60 ML/day)
- Ability to make more water if needed
- 400km pipeline construction
- \$300 million investment in WA
- 200 jobs during construction
- World class technology partners



The Goldfields-Esperance Water Supply

The History of the Project

UUA has been developing the Project for five years. Key events:

- 2001: developed major submission for the WA Government EOI process
- 2003: delivered comprehensive study in partnership with the Water Corporation and Office of Water Regulation
- 2004: continued development as sole proponent to develop demand data
- 2004: this UUA proposal based upon firm support from resources industry



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Pricing

- UUA will supply domestic water to Kalgoorlie at lower cost to Government, replacing water pumped from Perth
- UUA requests ERA and independent review of pricing to ensure value to State
- Water Corporation retail role will not change nor will price to consumers increase



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Proven demand for the Project

Municipal:

Kalgoorlie current demand
= up to 30 ML/day

Resources projects want additional water:

Firm interest from three mines
= up to 25 ML/day new demand

Other prospects

= 5 ML / day

*G&AWS cannot meet this demand
without massive additional investment*

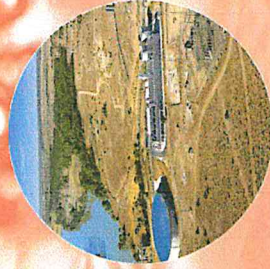
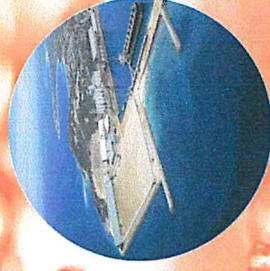


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Regional water demand

Communities served:

- Esperance
- Shark Lake
- Salmon Gums
- Norseman
- Widgiemooltha
- Kambalda
- Kalgoorlie / Boulder
- and others, especially in severe droughts



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Environment

Detailed environmental studies will be carried out for every phase of the project.

- The project will reduce demand on Perth's water resources by more than 10GL/year
- The desalination plant will be out of sight on Esperance Port Authority land
- Brine will be discharged back into the ocean in deep water, with no impact on the Bay of Isles



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Environment

- Ocean intake and outfall will be determined by hydrological studies
- Electricity from clean, gas-fired turbines will power the project
- UUA will inject CO₂ from gas turbine exhausts into the water to reduce greenhouse emissions even further



The Goldfields-Esperance Water Supply

Native Title

The pipeline follows existing easements, and there are no known native title issues

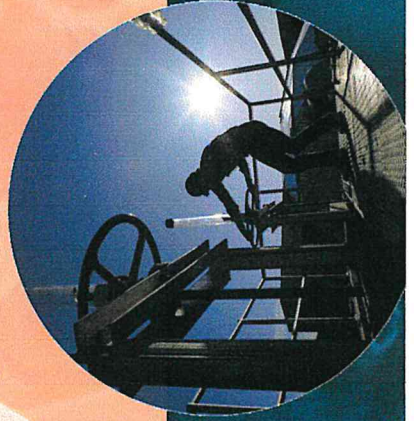
Training and jobs for local indigenous people will be available during construction and operating stages



The Goldfields-Esperance Water Supply

Benefits

- Abundant, secure water for Kalgoorlie and Goldfields
- Reduced demand on Perth's already over stretched water resources
- saving 10 GL/year
- No impact on Government borrowing requirement or revenues from water
- Reduced Government capital investment requirements, including planned \$190m upgrade of the C Y O'Connor pipeline
- Deliver more than \$200 million of added 'triple bottom line' benefits by 2010



Kalgoorlie

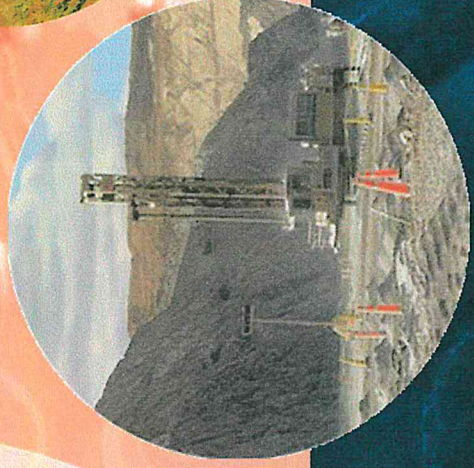
Perth

Esperance

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Benefits

- Regional development
- Water for the new Esperance Industrial Park at cheaper headworks and consumption costs
- Supporting major new mining investment, e.g. St Ives expansion
- Irrigation water for value-added crops
- Improved quantity and quality of water for regional communities
- Extra demand and revenue for the new Esperance power station



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Suggested way forward

Government

- Support for development through the Water Taskforce and the DOIR
- Project review by ERA and independent consultant
- Agreement in principle to buy bulk water from the Project
- Access to existing easements
- Coordinate PR and media

UUA

- Work with Premier's Water Task Force, ERA and DOIR
- Commence detailed design
- Environmental studies

