

Phil Endley
United Utilities Australia Pty Ltd
115 Grenfell Street
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Nickel

27th July 2005

Dear Phil

Thank you for the information you have provided on the proposed desalination plant for Esperance and the water-carrying pipeline from Esperance to households and industries in the Goldfields.

I also appreciated the opportunity to discuss some of the possibilities of the project when you visited Kalgoorlie Nickel Smelter on 15 June 2005.

As part of our meeting I explained that our business has contracts in place with the Water Corporation and our operational needs are well serviced by the Corporation.

However, I understand that from a community and residential perspective the proposed pipeline could deliver potential to a number of current and future industries in the Goldfields-Esperance area.

As you have explained, the desalination plant could serve to impact on the development and expansion of other industries such as agriculture and tourism in the Esperance and Goldfields regions. Additionally, increased supplies of fresh water could offer increased incentive to new industries in our community.

To this end I support your endeavours to work on a cost benefit and project feasibility plan for the Goldfields Water Supply Project and wish you every success with your endeavour.

Best wishes

David Loth
General Manager
Kalgoorlie Nickel Smelter & Concentrator