

17 December 2008

Eureka 2 Project 8 Pty Ltd
BD (NSW) Project 24 Pty Ltd
PO Box 826
NEWCASTLE NSW 2300

Attention: Bob Hawes

Dear Bob

**RE: HONEYSUCKLE CENTRAL
CONTAMINATION ASSESSMENT**

1 INTRODUCTION

We refer to your instruction to investigate and report on issues pertaining to soil contamination to facilitate a response to the Director General's Requirement (DGR's) in respect of the proposed Honeysuckle Central development in Newcastle. We now detail our findings and conclusions for consideration as part of the Project Application for the site.

We note this site was formerly referred to as Stages 4 and 5 of the Lee Wharf development. Moreover, we confirm we are aware of the existence of reports conducted on the site in relation to soil contamination investigations over the last ten years including a Site Audit Statement issued by Contamination Management Pty Ltd (27 September 2002) (Site Audit Statement). The Site Audit Statement was provided for review by Coffey. Consequently, the conclusion of this assessment will note that this site is suitable for the proposed commercial use and residential use with minimal opportunity for soil access.

2 BACKGROUND

The DGR's for the current proposal are as follows:

15. Contamination

The EA is to demonstrate compliance that the site is suitable for the proposed use in accordance with SEPP 55.

The primary objective of the review was to assess what impacts the Site Audit Statement may have in terms of soil contamination on the planned redevelopment of Lot 25 DP 1096520 (the site). It is understood that the site is a subdivision of Lot 3 in DP 883474 and hence the Site Audit Statement is relevant to the site. Coffey understands that the site is planned to be redeveloped into a high rise complex comprising of mixed commercial and residential use with a basement car park. landscaping in

the form of planting of trees is permitted. The Site Audit Statement (see attached) contains the following relevant conditions:

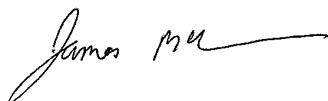
1. Development of the land being completed so that occupiers of and visitors to the site have no contact with the soil by either covering the soil with buildings pavements or landscaped area, the latter of which must contain a depth of at least 0.5m of clean imported topsoil;
2. Newcastle City Council making notation on any Certificate relating to the site issued under S.149 of the Environmental Planning and Assessment Act 1979 that any works carried out on the site that involve the disturbance or contact with the fill or soils, other than clean soil in landscaped areas, are carried out in accordance with requirements of the "*Environmental Management Plan. Honeysuckle Redevelopment*" by AGC Woodward Clyde dated January 1999.

The Site Audit Statement refers to "Geochemical Investigation. Lot HB5a Honeysuckle Redevelopment, Newcastle, NSW", "Geochemical Investigation. Lot HB5c Honeysuckle Redevelopment, Newcastle, NSW" and "Geochemical Investigation. Lot HB5d Honeysuckle Redevelopment, Newcastle, NSW" by Robert Carr and Associates Pty Ltd, 1998. These reports are Phase 2 Environmental Site Assessments. The Site Audit Statement does not recommend remediation of the site.

Based on the review of the Site Audit Statement the site is suitable for its proposed use.

We trust this meets your requirements at this stage.

For and on behalf of Coffey Environments Pty Ltd



James McMahon
Business Manager-Newcastle

Attachments: Site Audit Statement

NSW Environment Protection Authority

SITE AUDIT STATEMENT

Schedule 1, Form 2 (Contaminated Land Management Regulation 1998)

SITE AUDITOR (accredited under the *Contaminated Land Management Act 1997*):

Name: Dr William Ryall Phone: 02 9810 7973
Company: Contamination Management Pty Ltd Fax: 02 9810 5956
Address: PO Box 1021
ROZELLE NSW 2039 Accred. No: 9809

SITE AUDIT STATEMENT NO: WRR15A

SITE DETAILS:

Address: Honeysuckle Drive, Newcastle Postcode: 2300
Lot and DP number: Lot 3 in DP883474, as shown on the attached survey plan.
Local government area: Newcastle City Council

SITE AUDIT REQUESTED BY:

Name: Ms Julie Rich
Company: Honeysuckle Development Corporation
Address: Suite 2, 265 Wharf Road, Newcastle Postcode: 2300
Phone: 4927 3800 Fax: 4929 1927

Name of contact person (if different from above): N/A

Consultancy(ies) who conducted the site investigation(s) and/or remediation:

Robert Carr & Associates Pty Ltd

Report(s) reviewed:

Report 1. "Geochemical Investigation. Lot HB5a Honeysuckle Redevelopment, Newcastle, NSW" by Robert Carr & Associates Pty Ltd (RCA) dated October 1998;

Report 2. "Geochemical Investigation. Lot HB5c Honeysuckle Redevelopment, Newcastle, NSW" by Robert Carr & Associates Pty Ltd (RCA) dated October 1998; and

Report 3. "Geochemical Investigation. Lot HB5d Honeysuckle Redevelopment, Newcastle, NSW" by Robert Carr & Associates Pty Ltd (RCA) dated October 1998.

Other information reviewed: N/A

Summary Site Audit Report

Title: Summary Site Audit Report Lot 3 in DP 883474, Honeysuckle Drive, Newcastle.

Date : 27 September 2002.

I have completed a site audit (as defined in the *Contaminated Land Management Act 1997*) and reviewed the reports and information referred to above with due regard to relevant laws and guidelines. I certify that the site (tick all appropriate boxes):

(a) is suitable for the following use(s):

- residential, including substantial vegetable garden and poultry;
- residential, including substantial vegetable garden excluding poultry;
- residential with accessible soil, including garden (minimal home-grown produce contributing less than 10% fruit and vegetable intake) excluding poultry;
- residential with minimal opportunity for soil access, including units;
- daycare centre, preschool, primary school;
- secondary school;
- park, recreational open space, playing field;
- commercial/industrial use;
- other (please specify): Residential development, including serviced apartments and hotels, where occupiers have no access to soil.

subject to: condition(s) (please specify):

1. Development of the land being completed so that occupiers of and visitors to the site have no contact with the soil by either covering the soil with buildings, pavements or landscaped areas, the latter of which must contain a depth of at least 0.5 metres of clean imported topsoil; and.
2. Newcastle City Council making notation on any Certificate relating to the site issued under s.149 of the Environmental Planning and Assessment Act 1979 that the site was formerly used for industrial purposes and that some levels of chemical substances remain present in the soil, but that the levels of these substances are safe for the proposed use of the site; and
3. Newcastle City Council making notation on any Certificate relating to the site issued under s.149 of the Environmental Planning and Assessment Act 1979 that any works carried out on the site that involve the disturbance of or contact with the fill or soils, other than clean soil in landscaped areas, are carried out in accordance with the requirements of the "Environmental Management Plan, Honeysuckle Redevelopment" by AGC Woodward-Clyde dated 14 January 1999.

(b) ~~is not suitable for any beneficial use due to risk of harm from contamination.~~

(comments): N/A

I am accredited by the NSW Environment Protection Authority under the *Contaminated Land Management Act 1997* as a Site Auditor.

Accreditation Number: 9809

1:500 (AS17/2180)

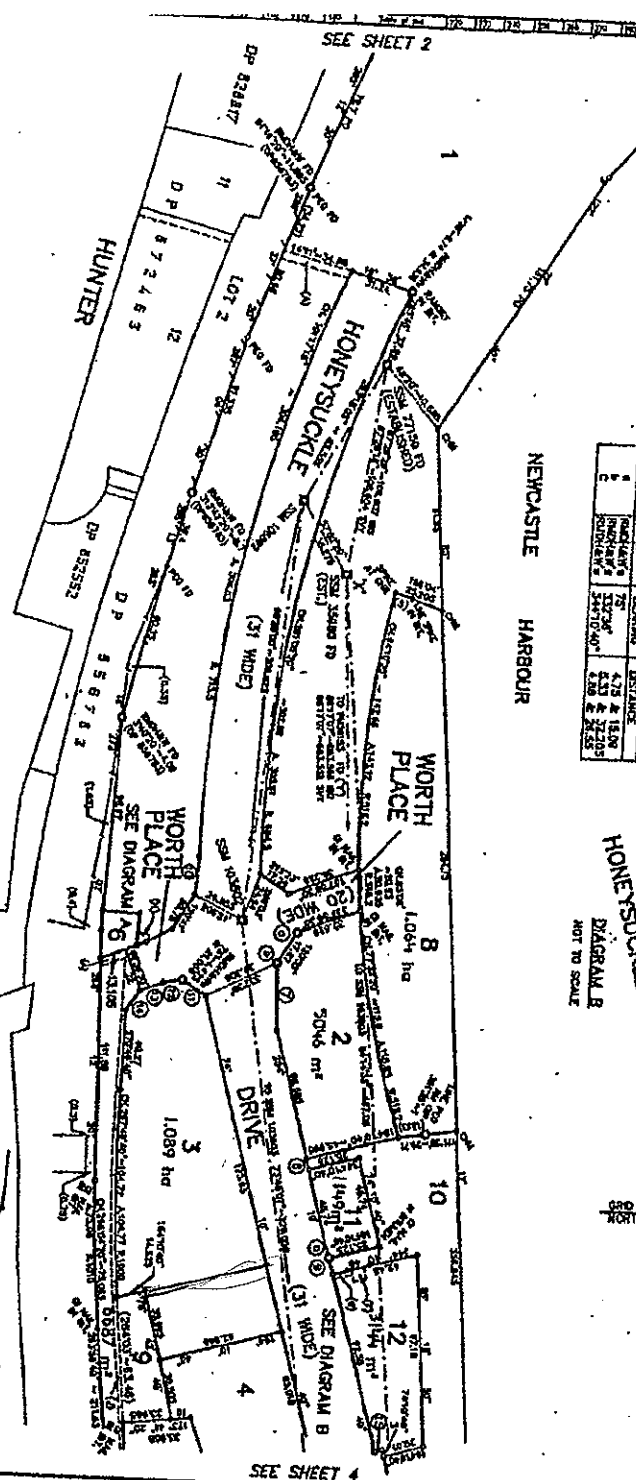
LINE	BEARING	DISTANCE	ANG	REMARKS
1	24-10'40"	2.52		
2	24-10'40"	8.3		
3	24-10'40"	18.85	182°7'	
4	24-10'40"	14.215		
5	24-10'40"	10.115		
6	24-10'40"	11.815		
7	24-10'40"	11.815		
8	24-10'40"	11.815		
9	24-10'40"	11.815		
10	24-10'40"	11.815		
11	24-10'40"	11.815		
12	24-10'40"	11.815		

- CHIEF - CORNER NOT MARKED
- (A) - EASEMENT FOR GENERAL PURPOSES
 - (B) - EASEMENT FOR ELECTRICITY CABLES
 - (C) - EASEMENT FOR UNDERGROUND CABLES
 - (D) - EASEMENT FOR UNDERGROUND ELECTRICITY CABLES
 - (E) - EASEMENT FOR UNDERGROUND ELECTRICITY CABLES AND ACCESS THROUGH 2 WOE & VIVIDALE

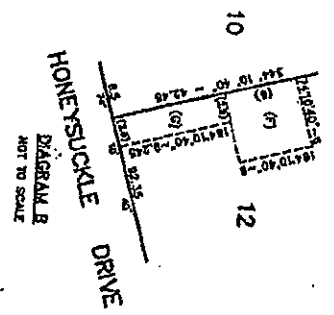
Plan Drawing only to appear in this space

DIAGRAM A NOT TO SCALE

Includes Site & Soil Surveyor's Approval (AS17/2180)



SCHEDULE OF RESERVING LOTS			
RESERVING LOT	RESERVING DISTANCE	RESERVING ANGLE	RESERVING REMARKS
1	10.000	180°	RESERVING FOR LOT 1
2	10.000	180°	RESERVING FOR LOT 2
3	10.000	180°	RESERVING FOR LOT 3
4	10.000	180°	RESERVING FOR LOT 4
5	10.000	180°	RESERVING FOR LOT 5
6	10.000	180°	RESERVING FOR LOT 6
7	10.000	180°	RESERVING FOR LOT 7
8	10.000	180°	RESERVING FOR LOT 8
9	10.000	180°	RESERVING FOR LOT 9
10	10.000	180°	RESERVING FOR LOT 10
11	10.000	180°	RESERVING FOR LOT 11
12	10.000	180°	RESERVING FOR LOT 12



DP 883474

12th December 1988

Surveyor's Approval (AS17/2180)

Includes Site & Soil Surveyor's Approval (AS17/2180)

Important information about your **Coffey** Environmental Report

Uncertainties as to what lies below the ground on potentially contaminated sites can lead to remediation costs blow outs, reduction in the value of the land and to delays in the redevelopment of land. These uncertainties are an inherent part of dealing with land contamination. The following notes have been prepared by Coffey to help you interpret and understand the limitations of your report.

Your report has been written for a specific purpose

Your report has been developed on the basis of a specific purpose as understood by Coffey and applies only to the site or area investigated. For example, the purpose of your report may be:

- To assess the environmental effects of an on-going operation.
- To provide due diligence on behalf of a property vendor.
- To provide due diligence on behalf of a property purchaser.
- To provide information related to redevelopment of the site due to a proposed change in use, for example, industrial use to a residential use.
- To assess the existing baseline environmental, and sometimes geological and hydrological conditions or constraints of a site prior to an activity which may alter the sites environmental, geological or hydrological condition.

For each purpose, a specific approach to the assessment of potential soil and groundwater contamination is required. In most cases, a key objective is to identify, and if possible, quantify risks that both recognised and unrecognised contamination pose to the proposed activity. Such risks may be both financial (for example, clean up costs or limitations to the site use) and physical (for example, potential health risks to users of the site or the general public).

Scope of Investigations

The work was conducted, and the report has been prepared, in response to specific instructions from the client to whom this report is addressed, within practical time and budgetary constraints, and in reliance on certain data and information made available to Coffey. The analyses, evaluations, opinions and conclusions presented in this report are based on those instructions, requirements, data or information, and they could change if such instructions etc. are in fact inaccurate or incomplete.

Subsurface conditions can change

Subsurface conditions are created by natural processes and the activity of man and may change with time. For example, groundwater levels can vary with time, fill may be placed on a site and pollutants may migrate with time. Because a report is based on conditions which existed at the time of the subsurface exploration, decisions should not be based on a report whose adequacy may have been affected by time. Consult Coffey to be advised how time may have impacted on the project and/or on the property.

Interpretation of factual data

Environmental site assessments identify actual subsurface conditions only at those points where samples are taken and when they are taken. Data derived from indirect field measurements and sometimes other reports on the site are interpreted by geologists, engineers or scientists to provide an opinion about overall site conditions, their likely impact with respect to the report purpose and recommended actions. Actual conditions may differ from those inferred to exist, because no professional, no matter how well qualified, can reveal what is hidden by earth, rock and time. The actual interface between materials may be far more gradual or abrupt than assumed based on the facts obtained. Nothing can be done to change the actual site conditions which exist, but steps can be taken to reduce the impact of unexpected conditions. For this reason, parties involved with land acquisition, management and/or redevelopment should retain the services of Coffey through the development and use of the site to identify variances, conduct additional tests if required, and recommend solutions to unexpected conditions or other problems encountered on site.

Important information about your **Coffey** Environmental Report

Your report will only give preliminary recommendations

Your report is based on the assumption that the site conditions as revealed through selective point sampling are indicative of actual conditions throughout an area. This assumption cannot be substantiated until project implementation has commenced and therefore your report recommendations can only be regarded as preliminary. Only Coffey, who prepared the report, is fully familiar with the background information needed to assess whether or not the report's recommendations are valid and whether or not changes should be considered with redevelopment or on-going use of the site. If another party undertakes the implementation of the recommendations of this report there is a risk that the report will be misinterpreted and Coffey cannot be held responsible for such misinterpretation.

Your report is prepared for specific purposes and persons

To avoid misuse of the information contained in your report it is recommended that you confer with Coffey before passing your report on to another party who may not be familiar with the background and the purpose of the report. In particular, a due diligence report for a property vendor may not be suitable for satisfying the needs of a purchaser. Your report should not be applied for any purpose other than that originally specified at the time the report was issued.

Interpretation by other professionals

Costly problems can occur when other professionals develop their plans based on misinterpretations of a report. To help avoid misinterpretations, retain Coffey to work with other professionals who are affected by the report. Have Coffey explain the report implications to professionals affected by them and then review plans and specifications produced to see how they have incorporated the report findings.

Data should not be separated from the report

The report as a whole presents the findings of the site assessment and the report should not be copied in part or altered in any way. Logs, figures, laboratory data, drawings, etc. are customarily included in our reports and are developed by scientists, engineers or geologists based on their interpretation of field logs (assembled by field personnel), field testing and laboratory evaluation of field samples. This information should not under any circumstances be redrawn for inclusion in other documents or separated from the report in any way.

Contact Coffey for additional assistance

Coffey is familiar with a variety of techniques and approaches that can be used to help reduce risks for all parties to land development and land use. It is common that not all approaches will be necessarily dealt with in your environmental site assessment report due to concepts proposed at that time. As a project progresses through planning and design toward construction and/or maintenance, speak with Coffey to develop alternative approaches to problems that may be of genuine benefit both in time and cost.

Responsibility

Environmental reporting relies on interpretation of factual information based on judgement and opinion and has a level of uncertainty attached to it, which is far less exact than other design disciplines. This has often resulted in claims being lodged against consultants, which are unfounded. To help prevent this problem, a number of clauses have been developed for use in contracts, reports and other documents. Responsibility clauses do not transfer appropriate liabilities from Coffey to other parties but are included to identify where Coffey's responsibilities begin and end. Their use is intended to help all parties involved to recognise their individual responsibilities. Read all documents from Coffey closely and do not hesitate to ask any questions you may have.