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Dear Ashley,

Please find outlined on the following pages our formal response to comments and requests for further information provided by the Port Kembla Coal Terminal and Port Kembla Port Corporation (refer Appendix 1), GrainCorp (refer Appendix 2) and NSW Office of Water (refer Appendix 3).

Please do not hesitate to contact me should you have any queries

Kindest of regards,

 19/12/2012

Robert Kempton

Lead Process Engineer
National Biodiesel Ltd
0404 373 681

APPENDIX 1: Response to Comments Offered by PKPC and PKCT

National Biodiesel is grateful for the support offered by PKPC and PKCT for the proposed development. In response to the comments offered regarding the design and operation of the proposed facilities, National Biodiesel would like to offer the following assurances:

- The layout and design of the plant facilities will ensure that all relevant standards are observed to minimise the risk to personnel both on and offsite.
- The layout and design of the plant and equipment will seek to ensure that the current access to existing neighbouring facilities will not be in any way impeded.
- National Biodiesel will continue to maintain open dialogue with neighbouring land users throughout the design process to ensure that they are informed of the proposed plant layout and design.
- National Biodiesel will obtain all necessary environmental licenses required to safely commence operations.
- National Biodiesel understands the sensitive nature of the neighbouring PKCT settling pond, and will design its plant and facilities in accordance with all relevant standards to prevent the release of any process materials to the environment, particularly with regards to the neighbouring PKCT site.
- A scheduled maintenance program for the site will be established to ensure the integrity of the plant and equipment, particularly those items pertaining to safety and environmental management.
- National Biodiesel will seek to attain ISO 9001 and ISO 14001 accreditation for its operations.
- National Biodiesel extends the invitation to PKCT and other neighbouring land users to establish a peer auditing system whereby scheduled audits of each other's facilities can be conducted to assist in risk identification, and to assure each other that their respective facilities are being properly operated and maintained.

APPENDIX 2: Response to Comments and Request for Further Information by GrainCorp

Item 1: Details of proposed liquid bulk infrastructure at Berth 104

The proposed infrastructure at Berth 104 for liquid bulk unloading operations will consist of a fixed steel unloading pipeline, nominally 300mm in diameter, with three 200mm offtakes and associated valving for connection to the ships discharge hoses, and some small bore off takes for local quality testing and pressure monitoring. There will also be a small, nominally 50mm, compressed air supply pipe for pigging the line clean between uses, and a bunded platform underneath the sample points and connection points for the ship's discharge hoses to contain any minor leaks or drips during sampling and connection/disconnection of the ships hoses.

The fixed piping and associated valves will be located so they do not impede current access to the Berth, or movement of existing equipment or associated maintenance activities. The layout and arrangement of these items is being progressed, and as per other design work involving equipment on Berth 104, PKPC and GrainCorp will be involved in the review of this design when the concept layouts have been drafted so that they can offer relevant feedback and comments.

During unloading operations, temporary hoses will run across the berth between the fixed steel pipe line and the ship. Liquid will be unloaded from the ship using the ship's on board pumps. When not in use, these hoses will be stored on National Biodiesel's property.

It should be noted that this infrastructure and the associated unloading procedures are similar to the existing bulk unloading operations carried out at Berth 201 at Port Kembla, where National Biodiesel conducted biodiesel unloading operations to the Park Petroleum facilities for several years, commencing in January 2009.

Item 2: Road transport and traffic

As outlined in the DA Modification Application submitted by National Biodiesel, there are no changes to the volumes of traffic associated with the proposed changes. The only impact with regards to traffic for the proposed changes is that the traffic from the biodiesel site will commence earlier with the commencement of Stage 1 operations, and that the revised location of the biodiesel land allotment and truck dump station will mean that vehicles have to travel a negligibly longer distance (<500m) on the existing internal Port roads.

These facts are reflected in NSW RMS's determination on the proposed modification which stated:

"Furthermore, given the proposed modification is not considered likely to generate any additional traffic volumes, RMS raises no objections to the proposed modification".

With regards to the location of truck marshalling, parking and maintenance, there are no proposed changes from the original Project Approval, as incorrectly asserted in Don Fox Planning's response. The location and function of the truck marshalling, parking and maintenance areas remains as per the approved Maunsell-AECOM (2008) Environmental Assessment.

In summary there are no proposed changes to the volume of traffic, or the location of truck marshalling, parking and maintenance, from the approved Maunsell-AECOM (2008) Environmental Assessment.

As such, GrainCorp's comments on this matter do not pertain to the proposed modification, but rather to the Approved Project, for which a detailed traffic assessment was completed in Section 7.5 of the approved Maunsell-AECOM (2008) Environmental Assessment.

With regards to the Approved Project it should be noted that GrainCorp offered the following endorsement of the proposed development in a formal letter of consent to National Biodiesel dated April 22, 2008 (refer to Attachment A overleaf):

"GrainCorp Operations Ltd is highly supportive of development and diversification of Port Kembla and as such fully supports the development of the facility as proposed by National Biodiesel Pty Ltd.

As lessor of a portion of the land that National Biodiesel Pty Ltd will occupy, and as occupier of the land adjacent to the proposed site, GOP hereby gives its formal consent to National Biodiesel Pty Ltd to lodge the application with the NSW Department of Planning in order to gain approval through the Part 3A assessment process."

Attachment A:



Edward Dutton
National Biodiesel Pty Ltd
PO Box 524
Pymble
NSW 2073

April 22, 2008

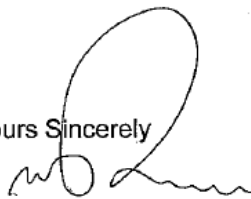
Re: Consent of lessor to lodgment of major project application – Proposed Soybean Crushing and Biodiesel Production Facility in Port Kembla

Dear Edward

GrainCorp Operations Ltd is highly supportive of development and diversification of Port Kembla and as such fully supports the development of the facility as proposed by National Biodiesel Pty Ltd.

As lessor of a portion of the land that National Biodiesel Pty Ltd will occupy, and as occupier of the land adjacent to the proposed site, GOP hereby gives its formal consent to National Biodiesel Pty Ltd to lodge the application with the NSW Department of Planning in order to gain approval through the Part 3A assessment process.

Yours Sincerely



Michael Reed
Manager Port Development and Improvement
GrainCorp Operations Ltd

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APPENDIX 3: Response to NSW Office of Water

With regards to the key issues identified by the NSW Office of Water in their response to the original Project Approval on 3rd November 2008 and 22nd December 2008, National Biodiesel offers the following comments:

Riparian Corridors:

Allotment 5:

In 2009, the Port Kembla Port Corporation (PKPC) undertook bank stabilisation and reclamation works along the eastern side of Allotment 5, as can be seen in Figure 1 below:



Figure 1: Allotment 5 before and after embankment stabilisation works conducted in 2009

This work has successfully repaired the eastern embankment of Allotment 5, making the site suitable for development without the need for additional stabilisation measures, such as a 10m wide riparian corridor as proposed by the Department of Water and Energy in 2008. These works also removed all of the exotic vegetation that was previously located on Allotment 5.

Allotment 6:

As outlined in Section 2.1.4.3 of the DA Modification Application report submitted by National Biodiesel, a Green and Golden Bell Frog Management plan has been developed for the Project incorporating the

proposed changes by an accredited herpetologist, Dr A. White, from Biosphere Environmental Consultants. In this report Dr A. White identified that *“it would not be in the interests of the conservation of this frog to try and develop habitat for this species on site”*. As such, Dr A. White proposed that a permanent frog exclusion fence be established along the top of the western embankment of Allotment 6 to prevent the Green and Golden Bell Frog from straying on to this site, as outlined in Figure 2 below.

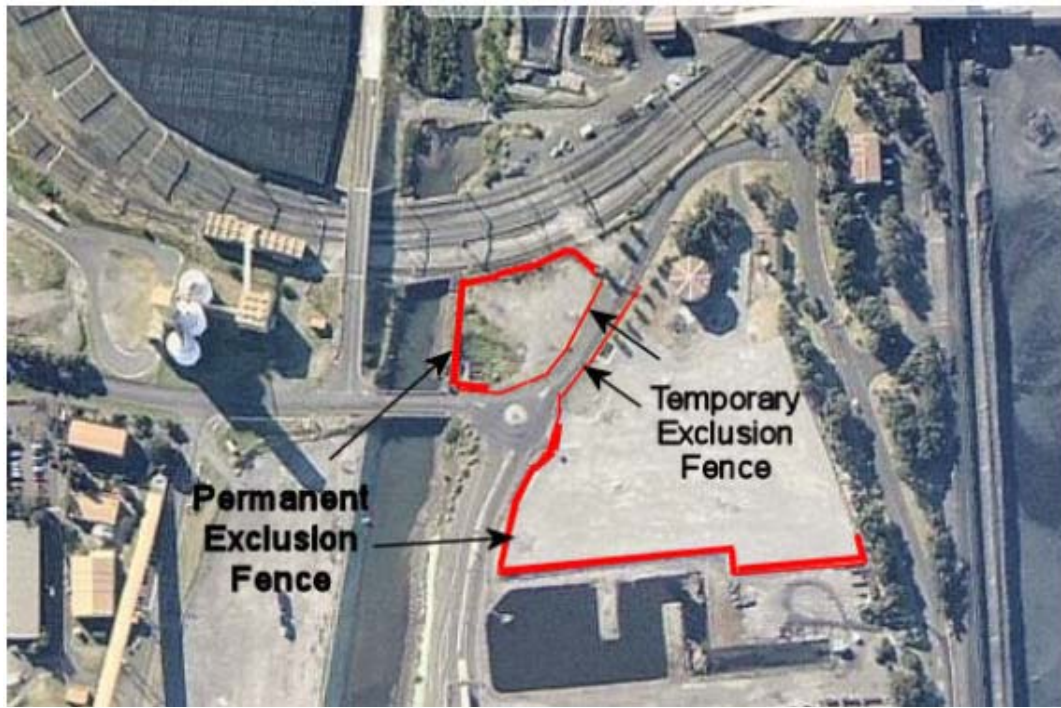


Figure 2: Location of frog exclusion fences specified by Dr A. White for management of the GGBF on the Project sites

In light of the specified location of this permanent frog exclusion fence and the recommendation to not establish habitat for the Green and Golden Bell Frog on the project sites, it is not feasible to install a 10m wide riparian corridor along the western boundary of Allotment 6 as proposed by the Department of Water and Energy in 2008. On the waterway side of this permanent frog fence running along the western boundary of Allotment 6, National Biodiesel will ensure that the riparian zone is rehabilitated and maintained with appropriate endemic species as per Schedule 3 of the original Project Approval.

Allotment 3:

With regards to the new land plot for Allotment 3, there is no existing vegetation (native or exotic), as the land is already cleared and capped ready for development.

General Site Landscaping:

Where landscaping is to be undertaken on the project sites, National Biodiesel will only use endemic species, ensuring that seed and propagule sources are from local botanical provenance, as per Schedule 3 of the original Project Approval.

Ground Water:

As with the original Project Approval, we do not plan to intercept groundwater with the proposed changes.