S22442/1-AF (Rev 2) CJP 1 September 2006

Luna Park Sydney Pty Ltd 3.20 6A Glen Street, MILSONS POINT NSW 2061

Attention: Mr Phillip Naylor

Dear Sir.

RE: COMMERCIAL DEVELOPMENT OF SITES B AND C, LUNA PARK STAGE 1 ENVIRONMENTAL SITE ASSESSMENT

Enclosed is a copy of the Stage 1 Environmental Site Assessment prepared by Coffey in October 2003 for the proposed development of Sites B and C Luna Park. The report has not been revised in accordance with our proposal of the 25th January 2006. However, this letter serves as a cover for the old report and provides details of changes to the development that have occurred between 2003 and the present.

The sites comprise Site B, which was previously described as the northern section (or Lot 1259), and Site C, which was previously described as the southern section (or part of Lot 1260). The scale of development proposed for each allotment has changed as a result of a public response to the original development application. For example the previously proposed 14 storey development on Site B with three levels of basement car parking has been reduced to a 7 storey development with two levels of basement car parking. The details of the revised developments are provided below:

Site B (Northern Allotment)

- 7 level Grade A commercial strata office building NLA 2,284m².
- 2 levels of basement car parking to about RL17.7m, accessed via a car lift from Glen St.
- Standard floor plate of approximately 460m² containing three office suites.
- 2 lifts servicing car park and office levels.

Site C (Southern Allotment)

- 2 level building NLA of approximately 600m².
- Café, restaurant, function use building.
- 1 level of basement car parking to about RL21.5m, accessed from Northcliff Street.
- 1 lift servicing car park and upper levels.
- Provision for pedestrian bridge access to the roof of proposed Luna Park Cinema Building.

The site conditions on both Lots B and C are assessed to have not changed since the Coffey Stage 1 assessment report of October 2003.

The Stage 1 ESA was a preliminary assessment that involved a site history review and site visit with no sampling or analysis. The Stage 1 ESA indicated potential contamination concerns on the

Coffey M

8/12 Mars Road Lane Cove West NSW 2066 Australia PO Box 125 North Ryde NSW 1670 Australia Telephone +61 2 **9911 1000** site as past importation of contaminated fill (which was assessed to have a high likelihood of having occurred) and potential leakage or spillage of chemicals previously used on the site (which was assessed to have a low likelihood). It is also noted that during the recent site visit, two fuel manhole plates were observed in the footpath next to Site C suggesting previous fill or dip points for on site fuel tanks. Possible leakage from the on site fuel tanks will need to be investigated as part of future Stage 2 investigations.

Given basements are to be excavated to well below the likely base of fill material across the majority of the site, it is considered that the majority of contamination on the site is likely to be removed through the process of basement excavation. Similarly the possible contamination associated with the fuel tanks or other chemical contamination would be likely to be removed through the basement excavation.

On this basis, it is considered that there is a low likelihood of contamination posing a major constraint to redevelopment of the site and it is considered that the site is likely to be capable of being remediated to be suitable for the proposed commercial landuse.

The extent of remediation required and the waste classification of soils for offsite disposal would need to be determined by a Stage 2 Environmental Site Assessment which should be undertaken prior to earthworks commencing on the site.

Should you have any questions concerning the attached report please contact the undersigned on 99 111 000.

For and on behalf of

COFFEY GEOSCIENCES PTY LTD

COLIN PARKER

Principal

ATTACHMENTS:

Report S21654/2-AF dated 21 October 2003.

MULTIPLEX DEVELOPMENTS (NSW)

STAGE 1 PRELIMINARY ENVIRONMENTAL SITE ASSESSMENT, MILSONS POINT DEVELOPMENT, NORTHCLIFF STREET, MILSONS POINT

S21654/2 AF 21 October 2003



S21654/2 AF 21 October 2003

Ian Traill
Multiplex Developments (NSW)
Level 4, 1 Kent Street
Sydney NSW 2000

Attention: Mr Ian Traill

Dear Sir,

RE: STAGE 1 PRELIMINARY ENVIRONMENTAL SITE ASSESSMENT, MILSONS POINT DEVELOPMENT, NORTHCLIFF STREET, MILSONS POINT

Coffey Geosciences Pty Ltd (Coffey) is pleased to provide our Stage 1 Preliminary Environmental Site Assessment (PESA) report for the above site.

We draw your attention to the enclosed sheet entitled "Important Information About Your Coffey Environmental Site Assessment" which should be read in conjunction with the report.

We trust that our report meets with your requirements. If you require any further information regarding our report, please do not hesitate to contact the undersigned on 9888 7444.

For and on behalf of

COFFEY GEOSCIENCES PTY LTD

JOSHUA LASKY

Senior Environmental Engineer

Distribution: Original Coffey Geosciences Pty Ltd File S21654/2 AF

1 copy Coffey Geosciences Pty Ltd Library

3 copies Multiplex Developments (NSW)

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B Cadastral Plans



1. INTRODUCTION

1.1 General

This report presents the findings of a Stage 1 Preliminary Environmental Site Assessment (Stage 1 PESA) undertaken by Coffey Geosciences Pty Ltd (Coffey) at a site located on Northcliff and Glen Streets, Milsons Point (Figure 1).

The work was commissioned by Mr Ian Traill of Multiplex Developments by letter on 1 October 2003. The commission was in response to a proposal submitted by Coffey on 25 September 2003 (Ref: S21654.2- AA).

The site is located on the corner of Glen, Northcliff and Dind Streets, Milsons Point and comprises three separate lots, Lots 1259 and 1260 of D.P. 48514 and part of Lot 1248 of D.P. 48514. The northern lot, Lot 1259, is currently vacant land with one large Morton Bay fig tree and has an area of approximately 576m². The southern lot, Lot 1260, is also vacant land with two Morton Bay fig trees and an area of 494m². In between these lots and to the south are parts of Lot 1248 of D.P. 48514, with an area of approximately 1550m². The total area of the development site is approximately 2620m².

It is understood that the development proposal for the site is for a fourteen storey commercial building with an underground car park. Development plans are shown in Appendix A. It is understood that a Stage 1 environmental site assessment is required to support the development application for the proposed residential development to North Sydney Council.

1.2 Objectives and Scope of Work

The objectives of the Stage 1 Preliminary Environmental Site Assessment were to:

- Investigate the site history to identify potentially contaminating activities that are currently being performed on the site and that may have been performed on the site in the past; and
- Make a preliminary assessment of potential contamination problems based on the site history review.

Laboratory testing was outside the scope of the investigation.

The scope of work included:

- A site history review and site visit to identify potential areas of environmental concern (AECs) and chemicals of concern (CoCs);
- Preliminary assessment of site contamination based on the site history review and site visit; and
- Preparation of a Stage 1 PESA Report.

2. LOCATION AND SITE FEATURES

The site is located on the corner of Glen, Northcliff and Dind Streets, Milsons Point and comprises three separate lots, Lots 1259 and 1260 of D.P. 48514 and part of Lot 1248 of D.P. 48514 within the North Sydney Council. The northern lot, Lot 1259, has an area of 576m², the southern lot, Lot 1260, has an area of 494m² and the remainder, parts of Lot 1248, has an area of approximately 1550m².

The main site features observed at the time of the site visit are discussed below:

The site is separated into two sections that are fenced off from each other and are separated by a 2m drop from the northern section to the southern section. Lot 1259 and part of Lot 1248 were in the northern section and Lot 1260 and part of Lot 1248 were in the southern section.

- Coffey ****
- The northern section was used for car parking at the time of the site visit. The surface of this section consisted of a coarse gravely road base. There was one large Morton Bay fig tree in the south of this section and three medium sized Coral trees were located in the north of this section.
- A trench had been excavated in the southern part of the northern section to allow an assessment of the extent of roots of the trees. The trench was approximately 10m long, 1m wide and 2m deep. Observations of the trench walls indicated that this part of the site is underlain by fill material to a depth of approximately 1.5m. The fill material was observed to mainly comprise of soil and ripped sandstone gravel and boulders up to 600mm with some other debris, such as bottles and gravel. There were some roots extending out of the soil from the Morton Bay fig.
- The southern section was relatively flat but dropped away steeply to the west and south down to Luna Park. There were two Morton Bay fig trees in this section. The southern section is raised a couple of metres above street level in the south, suggesting there is a considerable amount of fill on this lot. A concrete pump was set up on a concrete slab in this section. Some empty Castrol drums and a number of small piles of test concrete were located around the drum. A pipe was observed to run from the concrete pump down the southern site boundary to Luna Park

2.1 Surrounding Landuse

The current surrounding landuse observed during the site visit includes:

- Luna Park and Lavender Bay to the west. There is a vertical cliff face from the site down to Luna Park;
- A seven storey office building and other commercial properties to the north;
- Glen and Northcliff Streets to the east and residential and commercial properties; and
- North Sydney Olympic Pool and Sydney Harbour to the south.

2.2 Local Geology and Hydrogeology

The Sydney 1:100,000 Geological Sheet 9130 produced by Geological Survey of NSW, Department of Mineral Resources (1983) indicates the site is underlain Hawkesbury Sandstone from the Wianamatta Group of the Triassic Period. Hawkesbury Sandstone consists of medium to coarse-grained quartz sandstone, with minor shale and laminite lenses. Previous geotechnical investigations covering this site and Luna Park indicated that the bedrock is overlain by residual soil consisting of clay and extremely weathered sandstone, which in turn is overlain by varying depths of fill material.

Based on Coffey experience in the area of the site, regional groundwater is anticipated to be located within the bedrock and to be migrating in a westerly direction towards Lavender Bay. Shallow groundwater would be likely to be limited to possible seepage over the sandstone bedrock. Groundwater perched on bedrock may be present and would be expected to follow the slope of the bedrock to the south or west.

A groundwater bore search completed by the Department of Infrastructure, Planning and Natural Resources (DIPNR) indicated that there were no registered bores in Milsons Point close to the site.

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3. SITE HISTORY REVIEW

The site history study undertaken by Coffey included:

- A site visit;
- A review of previous site ownership;
- A review of a previous Coffey report;
- A review of historical aerial photography on the site;
- A check of NSW EPA records for notices on the site;
- A review of DPINR groundwater records; and
- A review of Council records on the site.

3.1 Site Visit

A Coffey Environmental Scientist visited the site on 2 October 2003. Observations made during the site visit are summarised in Section 2.

3.2 Titles Search

The site of the proposed development is within Lots 1259 and 1260 of D.P. 48514 and part of Lot 1248 of D.P. 48514. These lots are part of a subdivision of Lot 10 D.P. 847338. Information pertaining to the Certificates of Title was taken from a previous Coffey report 'Luna Park Redevelopment – Proposed Car Park and Foreshore Café, Stage 1 and Stage 2 Environmental Site Assessment and Remedial Action Plan' (2002) and is summarised in Table 1. Cadastral plans are presented in Appendix B.

TABLE 1: REGISTERED OWNERS FOR LOTS 1248, 1259 AND 1260 OF D.P. 48514

YEAR	PROPRIETOR			
1998- present	Luna Park Reserve Trust			
1995 - 1998	The State of New South Wales			
1937 - 1995	The Commissioner for Railways (leased to Luna Park (NSW) Limited)			
1888 - 1937	Privately owned			

3.3 Review of Previous Coffey Report

A previous Coffey report, 'Luna Park Redevelopment – Proposed Car Park and Foreshore Cafe, Stage 1 and Stage 2 Environmental Site Assessment and Remedial Action Plan' (2002) contains site history information relating to the whole of Luna Park including the site. The previous Coffey report indicates that parts of the Luna Park site were used as workshops during the construction of the Sydney Harbour Bridge from 1924 to 1932, although it is unlikely that workshops were located on top of the sandstone cliff at the site currently being investigated. The report also indicates that during the operation of Luna Park from 1935 to 1979, carpentry workshops may have been located on the site and were used for the construction of Luna Park rides. Luna Park was redeveloped from 1993 to 1995 and a Council Development Application relating to the redevelopment included the conditions that the sandstone cliff on the western boundary of the site be retained as an item of heritage significance and that the fig trees also be retained. It is likely that the site was vacant

during the redevelopment of Luna Park. Interviews from the Coffey report suggested there were no known underground or above ground storage tanks on the site.

3.4 Aerial Photograph Review

An aerial photograph from 1951 shows that the northern part of the site is vacant and appears to be concrete paved. The southern part of the site contains several large trees with foliage that obscures what is below the trees. It appears that the site is vacant from looking at the area between the trees. The southern lot appears to be at a lower height than the northern lot, which is at street level.

Aerial photographs from later years had been requested from the Department of Lands but had not yet been received at the time of writing of this report. It is anticipated that little information will be gleaned from the aerial photographs as the trees will likely obscure the site features.

3.5 North Sydney Council Records

North Sydney council records show that four development applications have been lodged on the site since 2002. There are no records prior to 2002, when the site was part of the Luna Park site. Developments applications lodged on the site since 2002 relate to the design of a car park and cafe, a change in the location of fire services and to cliff stabilisation work, including the removal of vegetation.

3.6 NSW EPA Records

A check with the NSW EPA Pollution Line revealed that no notices have been issued on the site under the Contaminated Land Management Act (1995).

3.7 Summary of Site History

The information obtained from the site history review and site walkover can be summarised as follows:

- From 1888 to 1922 the site was under predominantly private ownership, until the Commissioner for Railways acquired the site in 1922. Between 1924 and 1932, the current Luna Park site was used as workshops for the construction of the Sydney Harbour Bridge, but it is unlikely that workshops were located on top of the sandstone cliff at the site currently being investigated.
- From 1937 to 1995, the site was leased to Luna Park (NSW) Limited. During this time, the site may have contained carpentry workshops associated with Luna Park. It is likely that the site was vacant during the redevelopment of Luna Park from 1993 to 1995;
- At the time of the site visit, the site was fenced off into two sections, with the northern section used for car
 parking and the southern section mainly vacant but containing a concrete pump being used for the Luna
 Park redevelopment;
- A trench in the northern lot suggested fill material is present to a depth of approximately 1.5m. Fill material is also expected to be present in other parts of the site;
- There are four Morton Bay figs on the site, which are heritage listed; and
- No notices have been issued on the site under the Contaminated Land Management Act (1995).

3.8 Gaps in the Site History

Exact site activities, along with chemical usage, storage and waste disposal practices undertaken when the site may have contained workshops relating to the building of Luna Park are unknown.

The extent and contamination status of fill material on the site is not known.

Based on the site history, potential areas of environmental concern (AECs) and associated chemicals of concern (CoCs) were identified. These are summarised in Table 2.

Table 2 also includes a qualitative assessment of the probability of contamination being detected at each potential AEC based on the site history study and our experience on similar sites. It is important to note that this is not an assessment of the likely risk^a (financial or otherwise) associated with the AEC.

TABLE 2: SUMMARY OF POTENTIAL AREAS AND CHEMICALS OF CONCERN

Potential AECs	Description of potentially contaminating activity	CoCs*	Likelihood of Contamination (Based on Site History Study Only)**	Remarks
Whole Site	Contaminated fill may have been imported to the site.	Metals PAH TPH BTEX OCP PCB Asbestos	High	A trench in the northern lot showed suggested fill material is present to a depth of approximately down to 1.5m. Fill material is also expected to be present in other parts of the site.
	Potential spills or disposal of chemicals during the past industrial use of the site.	TPH BTEX PAHS PCB OCP Metals	Low	The site appears to have a relatively short history of industrial use and only minor industrial activities are likely to have taken place on the site, such as carpentry workshops.

^{*}CoC - Chemicals of Concern

Metals include: Arsenic, Cadmium, Lead, Nickel, Chromium, Copper, Mercury, Zinc

OCP – Organochlorine Pesticides

TPH – Total Petroleum Hydrocarbon

PCB – Polychlorinated Biphenols

BTEX - Benzene, Toluene, Ethylbenzene, Xylene

PAH – Polynuclear Aromatic Hydrocarbons

CONCLUSIONS AND RECOMMENDATIONS

The site history revealed that the site was under predominantly private ownership from 1888 to 1922, when the Commissioner for Railways acquired the site. Between 1924 and 1932, the current Luna Park site was used as workshops for the construction of the Sydney Harbour Bridge, but it is unlikely that workshops were located on top of the sandstone cliff at the site currently being investigated. From 1937 to 1995, the site was leased to Luna Park (NSW) Limited. During this time, the site may have contained carpentry workshops associated with Luna Park. The State of New South Wales owned the site from 1995 to 1998, after which the site was transferred to Luna Park Reserve Trust.

Based on the site history review, a number of potential areas and chemicals of environmental concern were

^{**}It is important to note that this is not an assessment of the financial risk associated with the AEC in the event contamination is detected, but a qualitative assessment of the probability of contamination being detected at the potential AEC based on the site history study.

^a The risk is a function of both the probability and the consequence.

identified as summarised in Table 2 of Section 4 including:

- Importation of fill material to the site that could potentially contain contaminants; and
- Possible leakage or spillage of chemicals used in former workshop activities on the site.

A trench in the northern lot showed suggested fill material is present to a depth of approximately down to 1.5m. Fill material is also expected to be present in other parts of the site. While the source of the fill material is not known, experience has indicated that fill materials formerly used in Sydney commonly contain industrial residues such as ash and slag etc and may contain elevated concentrations of contaminants.

It appears that the only industrial activity carried out on the site was carpentry work for the Luna Park site, which would be considered unlikely to have introduced widespread contamination to the site. Nevertheless there is the potential that some chemicals could have been used in the carpentry activities and could have leaked or been spilled.

It is recommended that a Stage 2 Environmental Site Assessment be undertaken to assess the potential AECs for the presence of contamination.

6. LIMITATIONS

The work performed by Coffey included only a site history study, including a site walk over and did not include any sampling or laboratory testing. Therefore, the assessments made in this report should be considered as preliminary only. It is important to note that sampling and laboratory testing is required to check for the presence or absence of contamination.

For and on behalf of

COFFEY GEOSCIENCES PTY LTD

JOSHUA LASKY

Senior Environmental Engineer

Information

Important information about your **Coffey** Environmental Site Assessment

Uncertainties as to what lies below the ground on potentially contaminated sites can lead to remediation costs blow outs, reduction in the value of 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 environmental site assessment 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).

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.

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.



Important information about your Coffey Environmental Site Assessment



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.

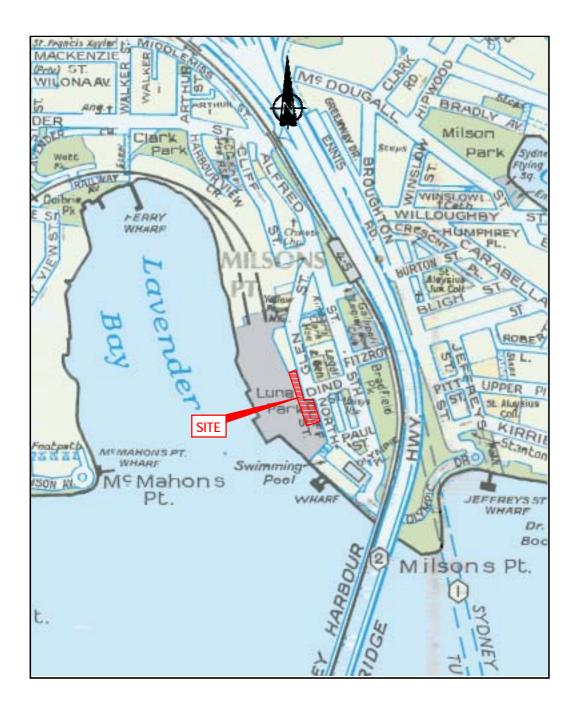
Contact Coffey for additional assistance

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.



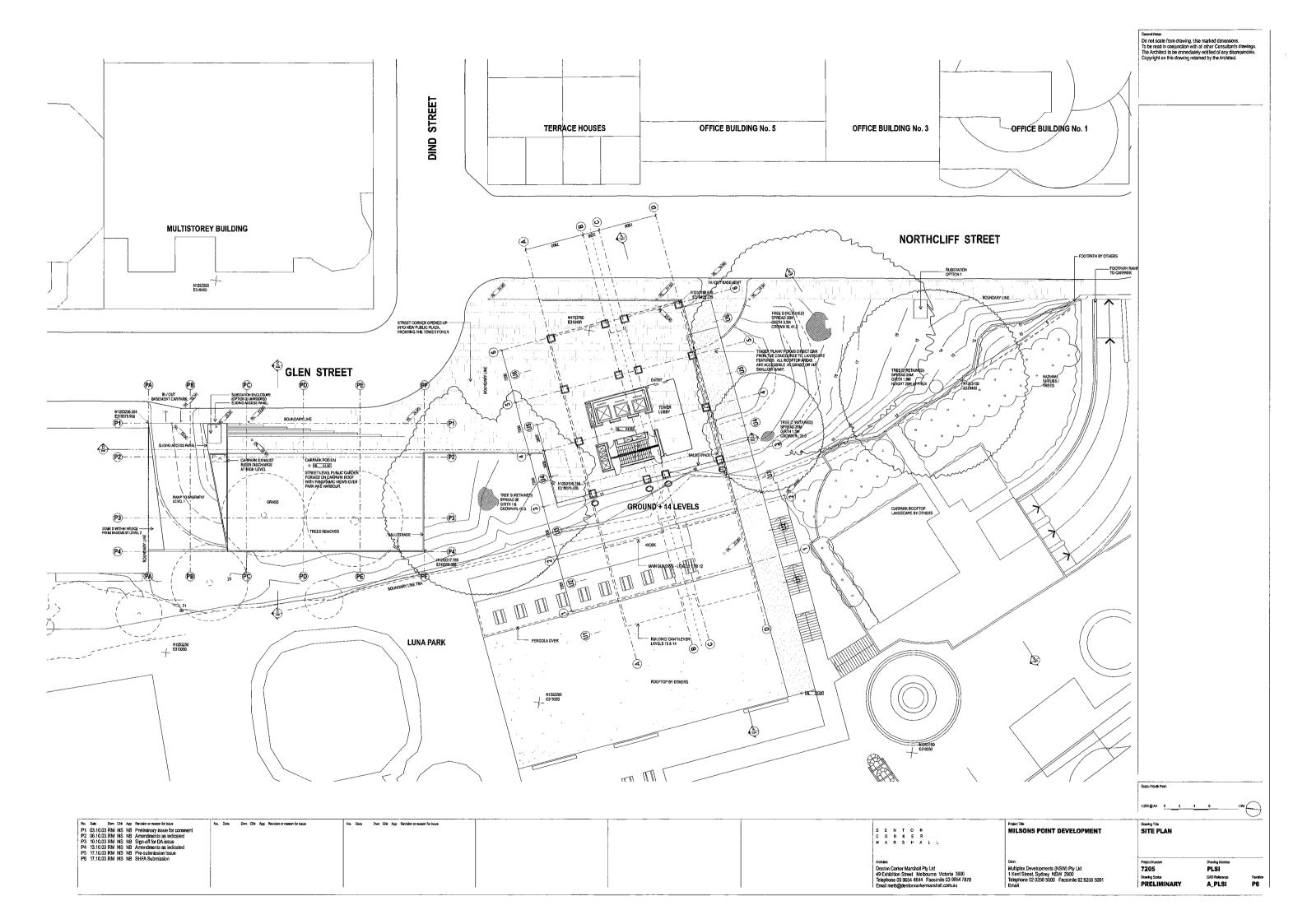


Coffey Geosciences Pty Ltd ACN 056 335 516			Geotechnical Resources Environmental Technical Project Management		
Drawn	KM/SW		CONSTRUCTIONS (NSW) PTY LTD. ONS POINT DEVELOPMENT		
Approved		MILS STAGE 1 PRELIMINA	FIGURE 1		
Date		31AGE 11 KELIWIIW	ACT ENVIRONMENTAL SITE ASSESSMENT		
Scale	1:6,500 approx		SITE LOCATION PLAN	Job no: S21654/2	

APPENDIX A

DEVELOPMENT PLANS





APPENDIX B

CADASTRAL PLANS



