Exhibit Number:

From:

Terry Malone

Sent:

Sunday, 20 February 2011 5:18 PM

To:

John Tibaldi

Subject: RE: Good news - Manual Compliance

JT

Thanks for the advice as I was just about to sign the house over to my wife's name.

I have spent a large part of the weekend going through the report. In my opinion there is a lot of inconsistency and duplication. I hope you will take some of my suggestions on board.

I think that there is still a lot of work to do to tidy it up.

Terry

From: John Tibaldi

Sent: Sunday, 20 February 2011 3:57 PM

To: Terry Malone; Rob.ayre

John.Ruffini

Subject: Good news - Manual Compliance

See email below. I don't agree with the discretion words and will sort that out next week.

From: Colin Apelt

Sent: Saturday, February 19, 2011 08:55 PM

To: John Tibaldi

Subject: Manual Compliance

Hi John,

I know I am going to be busy for most of Monday, hence this email instead of a phone call.

I have completed my detailed review of the extract from the Draft Report (Chs 1, 2, 9 and 10) and I calconfirm that I am satisfied that the Manual was complied with throughout the flood event from 06 Jan 2011, 07:42 to 19 Jan 2011, 12:00, in the operation of both Wivenhoe and Somerset Dams.

As mentioned by telephone, there was an exercise of discretion on 11 Jan 2011 at 21:00 when Wivenhoe gate openings were below minimum recommended settings. In my considered opinion, this was appropriate and fully in accordance with the intent of the Manual.

I have noted some minor typos and points of clarification that I wish to discuss with you but these do not and cannot affect the conclusion I have stated above.

I will begin to review the full draft report as soon as I have completed some other urgent tasks.

Regards Colin Apelt

P.S. In due course, it will be necessary for me to report the above conclusion formally through UniQuest - they are still sorting out things with Seqwater's lawyers. I hope they can do this before a formal is required!

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Date.

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