



PARKER RANGE RESOURCES

23rd November 2015

Mr Tony Battersby
Chief Executive Officer
Bunbury Harvey Regional Council
PO Box 21
Bunbury, WA- 6231

Dear Sir,

Re: Processing of Municipal Solid Waste (MSW) to Energy;

On behalf of the joint venture partners of the S&TL Korea and Parker Range Resources (PRR) of Australia we wish to express our sincere interest in “BHRC’s solid wastes”, and we are proposing to set up a MSW process plant within your facilities for convenience.

It is our pleasure to offer the latest gasification technology with a comparable capital cost and significantly reduced operations and maintenance cost. We are confident that we bring to you the most technically as yet unique solution to the BHRC.

Background and Technology:

We are inspired by the desire of the Western Australian Government to have West Australians have ended their dependence on land-fill by 2020. Although it a herculean task, with some initiatives among key stakeholders this seems achievable. Therefore we are formally expressing our desire to partner with BHRC and achieve this goal while converting MSW into an energy or equivalent while reducing environmental degradation.

In line with the desire of the WA Govt. and authorities such as BHRC, PRR have secured access to and hence able to offer an efficient gasification technology which is 40years newer than others called “**Microwave Steam Plasma (MSP)**” developed and patented by a Research Institute in South Korea. The MSP technology will be backed by the Korean government, and our Korean team will provide a complete turnkey solution for a waste to energy project..

MSP is the latest plasma gasification technology available, and it is truly eco-friendly and much cleaner process to generate energy from MSW. It is quite identical to the conventional energy from waste process others are proposing, except the MSP gasification which is the key component of the whole process.

The Microwave Steam Plasma (**MSP**) technology, it is the third generation gasification technology that is truly eco friendly its benefits are:

- the latest gasification technology for Municipal Solid Waste, industrial waste, wood chips, animal manure, sewage sludge and in **particular lower grade/calorific value, high moisture dirty brown coal (lignite)**;
- substantially lower emissions than existing plasma torch and conventional gasification technology;
- close to **no landfill required** as by-product-slag will be less than 8% of the original feedstock volume thus **reducing contamination of ground water, air pollution and health risks**;
- financial incentive for rubbish to be collected thus reducing visual pollution of public areas;
- much higher level of waste to energy efficiency;
- significantly less power/energy consumption;
- significantly lower CAPEX;
- significantly longer operational lifespan;
- greatly reduced footprint of gasification system; and
- it introduces competition in this sector and alleviates sole dependence as an alternate.

What is on offer:

PRR along with its Korean Partners/associates offering a complete project at no direct cost to BHRC under an arrangement called Build, Own and Operate basis which reduces all kinds of project risks, technology risks and operating cost overruns etc.

- Full Performance Guarantee by the South Korea technology developer and its associates through an agreed instrument.
- At Zero upfront cost to BHRC a completely risk free waste processing facility exclusively dedicated to BHRC
- However should there be green waste PRR can augment a module dedicated to converting pure green wastes in to “Bio-fuel” at later date or as desired.
- We can also agree to increase the waste envelop and can accept much wider wastes types including hazardous materials.
- It can be adapted to suit the location, scale (modular units) and can virtually process most waste requiring while very little sorting.

What is required to trigger:

- BHRC to express their desire to explore this option exclusively for the next six months while carrying out due diligence on technology and other facets of the proposed project.
- On or before end of the above, BHRC agrees to offering exclusive rights to PRR (or its affiliate Co.) total annual solid waste for processing at the proposed facility for over a period of 20years or more.
- BHRC also offer land within its designated transfer station a parcel of land on lease for the life of project at free of cost.
- On or before the binding agreement, PRR will commit and carry out Project Feasibility study including evaluate “waste samples and its calorific values etc” to develop a “waste profile for acceptance” along with daily tonnage.
- BHRC Options:
 - BHRC can trigger quicker project commissioning via agreeing to an un-incorporated JV with PRR and/or its Entity set for this purpose.
 - BHRC can also opt to participate as an Equity Partner in the project.
 - BHRC can also decide within first 10years of operations to takeover the whole of operations and secures full Ownership of the project.
 - BHRC to agree to deliver waste daily within the agreed waste parameters at a mutually agreed fixed “Fee” and will credit that fee weekly to the project account and will also together develop a cost adjustments due to consumer price indexation.

PRR and its Associates Milestones:

- PRR alongwith its project Partners will carry out Feasibility Study within the first six month (at our cost AUD \$2.5M) where BHRC cooperation will be necessary.
- Progress EPA application.
- Progress balance Power sales agreement.
- Negotiate Green Credits

We learnt about BHRC’s desire in setting up a waste processing facility lately therefore we wish to bring to your attention an option available to you on a flexible terms and conditions and a much better outcome for the rate payers- lower emission due to higher recovery of energy.

As we progress further all the project specific documentation and all other local partners for construction, operations & maintenance will be identified to join the project in complementing our capabilities.

Benefits to BHRC:

- No upfront Capital Costs to BHRC as it would be paid by Promoter;
- Operating costs will be no more than \$130/t;
- Innovative way to ending Land-fill as per WA Govt. strategy 2020;
- Recognition for creating ZERO waste besides Community appreciation;
- No Technology development, selection, engineering, construction or Operating risks, this will be done as a complete Built, Own and Operate dedicated to BHRC.
- Within less than 2 years from the date of bidding agreement;
- In summary ending Land-fill at no capital outlay at current cost of waste collection and disposal meeting state Govt. requirements while avoiding land-fill state levy.

I look forward to presenting a solution and operability as well as financial model as to how we are placed as one of the best to provide a total waste processing solution with financial, health and environmental benefits for the BHRC ratepayers and West Australians.

Yours faithfully



Vijoy Jha

Director

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Enclosures:

1. Detailed MSP Presentation
2. Technology Comparison and Summary Information Sheet.