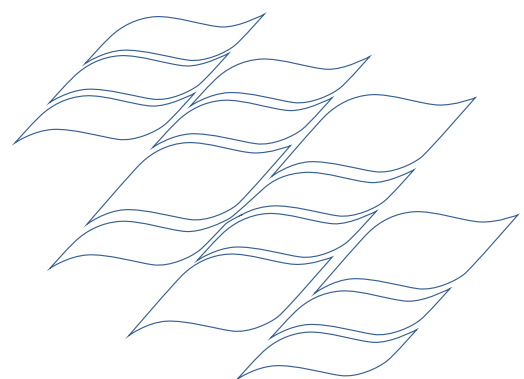


Appendix 8

[RETURN TO APPENDICES LIST](#)

Land valuation, correspondence 31 March 2006
(Herron Todd White)



Reply to: Gladstone

Our Ref: G34186
CR:SH

Herron
Todd White

Directors

Wayne Litherland FAPI
Barry Deacon AAPI
Neville Coonan AAPI
Graham Gross AAPI
Greg Williams AAPI
Tony Bailey AAPI

HTW Valuers (Central Qld) Pty Ltd

ABN 80 556 398 008
Gladstone
Level 3, 100 Goonoon Street
PO Box 5102
Gladstone QLD 4680
Telephone: (07) 4972 3833
Facsimile: (07) 4972 5005
Email: admin.gladstone@htw.com.au
www.htw.com.au

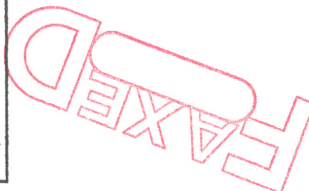
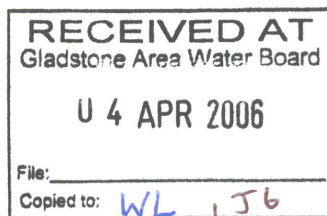
Rockhampton**Bundaberg/Wide Bay****Emerald****Mackay/Whitsunday**

31 March 2006

Gladstone Area Water Board
PO Box 466
GLADSTONE QLD 4680

Attention: Mr Warwick Lloyd

Dear Sir

**Re: MT MILLER RESERVOIR.**

Further to your instruction to carry out valuations for purchasing purposes of various parcels at Mt Miller and environs as per your plan, documents and email attached, I advise as follows.

The properties were inspected on the 26 February 2006. Our valuation deals only with the land ie no regard has been had to any improvements.

A title search of the property has not been carried out by Herron Todd White and the title particulars contained within its report have been provided by others and not verified as correct. This valuation is therefore subject to a full title search to verify and confirm these details and ensure that the subject property is free of any encumbrances or other defects which might affect the value. Our valuation is subject to comments and conclusions in regard to title details below being correct.

Reservoir Site

The reservoir is built on Lot 9 on Survey Plan 103894 and this has an area of 7.862 hectares. As per advice from the Gladstone Area Water Board the property is as a water reserve under the control of the Calliope Shire Council as trustee. We consider the Calliope Shire Council has no interest in the property which it can sell. Therefore no value is attributed to this. The property comprises a moderately undulating ridge part cut for the reservoir site. It has inferior access.

Pipelines on Roads Railway land and USL

In addition to the freehold reservoir site there is land over which pipelines run through various parts of either roads Railway, Department of Industrial Development or Department of Natural Resources (USL) land and are, we understand, not protected by any formal easement agreement. We have not been provided with any areas of the existing or proposed easements. We have based our calculations therefore on a nominal width of 10 metres.

From our brief discussions with the Department of Natural Resources we understand that because the Gladstone Area Water Board would be termed a public utility provider that it does not require easements over the road area or USL. Therefore there would be no requirement for the Board to have title over these areas and it follows there would be no value of any land or interest in the land that vests with the Board.

For those pipelines over railway land, Department of Natural Resources advises that they believe the railway land is held by Queensland Rail under a lease in perpetuity and that Queensland Rail are able to sublease certain areas. At this point in time we understand there is no sublease or other title held over the land the pipeline crosses from Queensland Rail. Therefore at any time Queensland Rail could ask for the Board to purchase a lease over the railway land. In that case in the present position with no title and possibly future cost to purchase an interest in the land over which the pipeline runs, we consider this land area also has no value to the Board.

Pipelines over Department of Industrial Development land

These lands comprise approximately 1 hectare (based on a 10 metre wide easement). The Department of Industrial Development can issue easements over the property. At this point in time however, there do not appear to be easements over the property. If the Department of Industrial Development did require easements to be obtained they would be entitled to compensation in return for the Gladstone Area Water Board receiving an interest in the land (easement). We therefore consider the Board would not currently have any interest in the land and therefore there is no value attributed.

Easement over Lot 1 Survey Plan 103922

This property is owned by Orica Limited and the water main appears to follow an easement through this property. We have not undertaken a search to confirm that the easement is in fact for a water pipeline, but have assumed this to be correct. You should confirm this by a title search. Subject to an easement being registered for a water pipeline. This easement has an area of approximately 0.8 hectares (based on a 10 metre wide easement). We would assess its current value at \$21,000.

Our total assessment of the value of land or interest in land is as follows:

Mt Millar Reservoir Site	\$Nil
Easement over Orica land	\$21,000
Road, railway land, USL	Nil
	\$21,000

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.


This valuation does not purport to be a site or structural survey of the land or improvements thereon, nor was any such survey undertaken.

While the property appears suitable for the existing use, no soil tests or environmental studies have been made available to us. Please note therefore that this valuation is subject to there being no surface or subsurface soil problems, toxic or hazardous wastes or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problem be known or arise then the valuation should be referred back to the valuer for comment.

This valuation is for the use only of the parties to who it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the contents of this valuation. No responsibility will be accepted for photocopied signatures.

Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context in which it may appear.

Yours faithfully



CL ROFFEY AAPI
CERTIFIED PRACTISING VALUER / DIRECTOR
QLD REGISTERED VALUER NO. 1189

Annexure
1. Map and Correspondence